



# ANNUAL **REPORT**

2022-23

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[www.lightfinance.com](http://www.lightfinance.com)



# COMPANY OVERVIEW

## Board of Directors

Mr Deepak Amin  
Promoter & Managing Director

## Executive Directors

Mr Rakesh Kumar  
Mr Aviral Saini

## Non-Executive Independent Directors

Mr Anuj Kumar  
Mr Chandan Sinha  
Mr Parveen Kumar Gupta  
(11.2.2022-7.6.2023)

## Nominee Directors

Mr Aditya Bhandari  
Mr Thomas Klungsøyr

## Chief Executive Officer

Mr Rakesh Kumar

## Chief Financial Officer

Mr Aviral Saini

## Company Secretary & Compliance Officer

Ms Madhavi Gajjar

## Auditors

### Statutory Auditor

M/s CNK and Associates LLP

### Internal Auditor

M/s Sorab S. Engineer & Co.

### Secretarial Auditor

M/s Paliwal and Co.

### Information System Auditor

M/s Sorab S. Engineer & Co.

## Corporate Identity Number

U67120DL1994PTC216764

## RBI Registration number

B-14.03244

## Registered Office

308 Aggarwal Tower,  
Plot No.2 Sector – 5,  
Dwarka, New Delhi - 110075

## Corporate Office

310- Pinnacle Business park,  
Corporate Road,  
Prahald Nagar,  
Ahmedabad - 380015  
Tel: 079-40050059  
Email: [compliance@lightfinance.com](mailto:compliance@lightfinance.com)  
Website: [www.lightfinance.com](http://www.lightfinance.com)

## Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd  
247 Park , C 101 1st Floor, LBS Marg,  
Vikhroli (W), Mumbai – 400 083  
Toll-free number: 1800 1020 878  
(from 10:00 AM to 4:00 PM)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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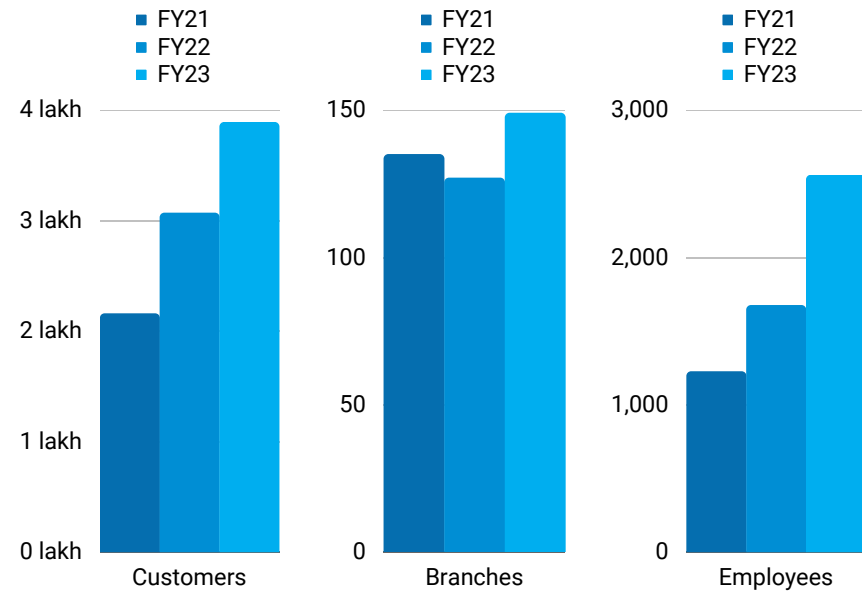


It's era of Bharat! They are booming with energy and resilience to emerge as entrepreneurs. They are informal yet they are driven by a powerful vision for their future. Light understands that and as a financial catalyst, aims to be their partner in illuminating their path to success and prosperity.



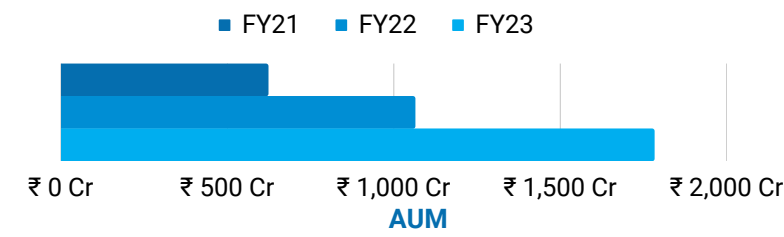
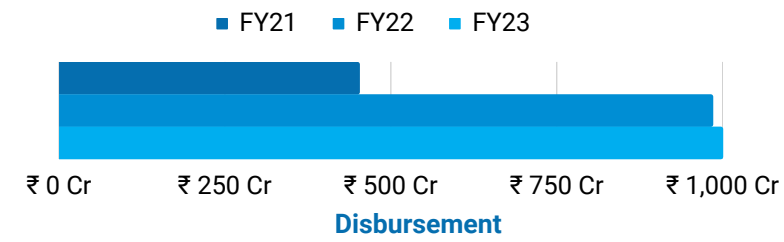
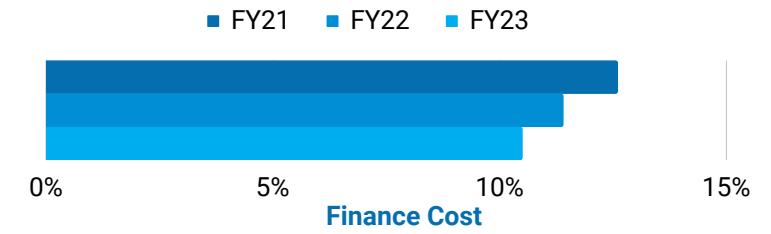
# Bharat: The Engine of Our Growth

More branches, more employees, more customers.



**32** New Branches

**49%** Growth in Number of Employees

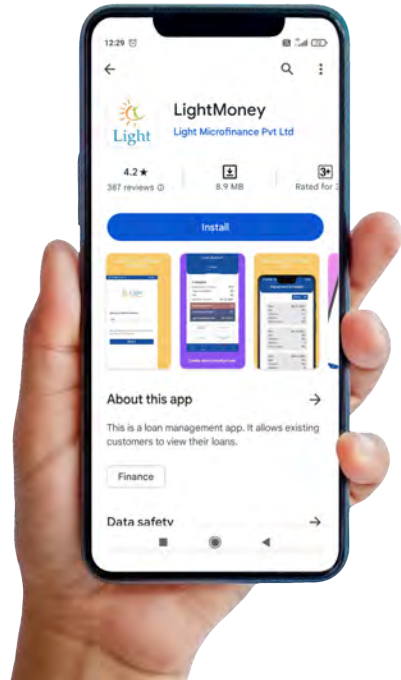


**392%** Profit Growth

**77%** Disbursement Growth

**68%** AUM Growth

Light's PAR>30 was 1.2% and PAR>90 was 0.9%, significantly lower than the industry average of PAR>30 at 8.3% and PAR>90 at 7.7%



## Digital Footprint

- Pilot phase of customer mobile app Light Money successfully completed.
- The app streamlines journey from sourcing to disbursal.
- UPI/QR code payment options will be available in the app.
- 67,000+ downloads to date, with 67% monthly active users.
- All information on payments, history and availed loans available on the app.



# Creating Entrepreneurial Clusters

In an inspiring tale of innovation and empowerment, Gadhadiya village, nestled 180 km away from Gujarat's bustling capital, Ahmedabad, has emerged as an example of how entrepreneurial clusters can flourish even in the remotest corners of India's hinterland. This case study sheds light on the remarkable journey of Gadhadiya's women who, with the aid of Light, have transformed into successful microentrepreneurs, crafting intricate metallic toys that have found their way into homes across the nation.



# Marching Towards Deeper Frontiers

## HARYANA

- AUM increased by 77%
- Number of districts covered increased to 14
- Number of branches increased to 16
- Customer base increased by 84%

## RAJASTHAN

- AUM increased by 53%
- Number of districts covered remained consistent
- Number of branches increased by 2
- Customer base increased by 9%

## HIMACHAL PRADESH

- Started operations in Himachal Pradesh in FY23
- AUM reached INR 866 lakhs
- Coverage extended to 5 districts
- Customer base reached 1,555

## GUJARAT

- Assets Under Management (AUM) increased by 71%
- Number of districts covered increased to 21
- Number of branches increased to 45
- Customer base increased by 27%

## MADHYA PRADESH

- AUM increased by 101%
- Number of branches increased by 9
- Number of districts covered increased by 5
- Customer base increased by 71%



Branches - 149  
Districts - 84  
Loan officers - 1,638  
Field Employees - 2,337  
Regional Offices - 3  
Head Office - 1

# Light's success is a result of five pillars that support our journey and define our excellence.

1

**MISSION:** To emerge as the foremost and most trusted financial services provider in India, catering to the masses and setting a new standard of excellence in the industry.

2

**TEAM:** A tapestry woven from diverse talents, each thread contributing to our unified strength and driving the engine of innovation.

3

**CUSTOMERS:** The beating heart of our purpose, their dreams and triumphs fuel our dedication to deliver exceptional experiences and enduring relationships.

4

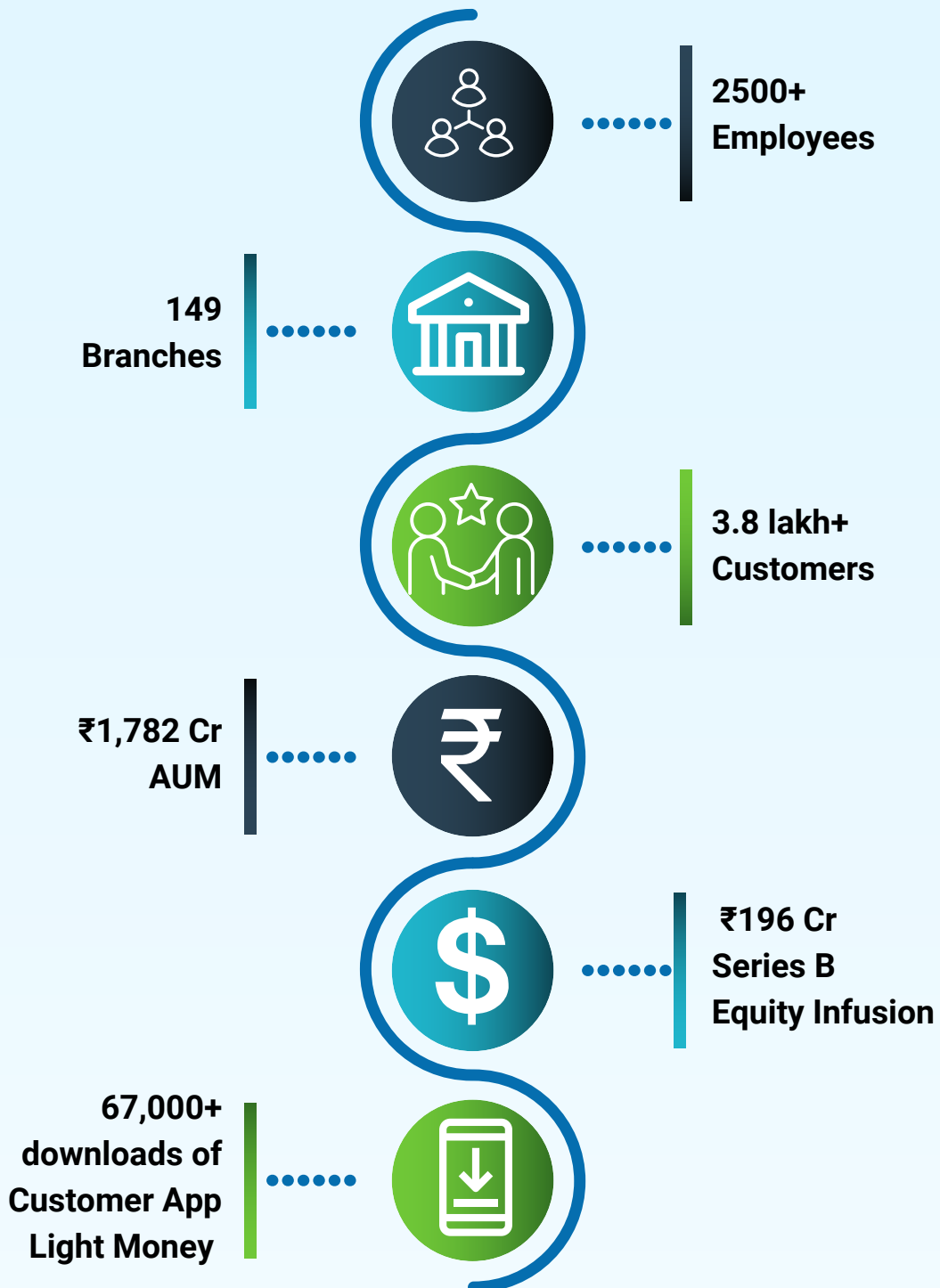
**TECHNOLOGY:** The compass navigating us through the digital landscape, where innovation meets precision to redefine efficiency and elevate service quality.

5

**PERSEVERANCE:** Our unwavering resolve, emboldened by challenges, fuels our pursuit of excellence and propels us beyond limitations.



# Light in 2022-23



*Lighting lives, Shaping futures, One loan at a time*



# Multi-Pronged Liability Approach

## Borrowing from Financial Institutions and Capital Market

Company's first Rs 200 Cr DA sanction from SBI

Company's first listed NCD with Blue Orchard

12 New lenders added

Raised Rs 1,482 Cr through on book and off book borrowing

## Equity Infusion of ₹196 Crore

British International Investment (Erstwhile CDC)

Incofin Investment Management

Abler Nordic (erstwhile NMI)

Triple Jump



# Message

Dear Esteemed Shareholders,

We are delighted to present the Annual Report for the fiscal year 2022-2023, highlighting the significant achievements and progress made by our company. This year has been truly remarkable, propelling us to a prominent position in the finance industry as a respected market leader.

Within the NBFC-MFI sector, Light has outshone all its competitors with an astounding 68% expansion in our assets under management (AUM). Our AUM reached a staggering value of ₹1,782 Cr., underscoring our unrivalled growth trajectory and positioning us as a dominant force within the industry. Furthermore, our disbursements soared to ₹1,744 Cr., exhibiting a remarkable year-on-year growth of 77%, crossing the momentous milestone of ₹1,000 Cr. in a single fiscal year disbursement. These accomplishments exemplify our unwavering commitment to excellence and our unyielding pursuit of sustainable growth.

We take immense pride in reporting a portfolio delinquency rate that is truly unmatched. Our PAR>30 stands at an astonishingly low 1.2%, while PAR>90 shows an impressive rate of 0.9%. Moreover, our collection efficiency soared to an exceptional 98.5% in Mar'23, signifying a substantial improvement from the already commendable 96.1% achieved in Mar'22. These exceptional figures serve as a testament to our unwavering commitment to maintaining a pristine loan portfolio.

In September 2022, we successfully secured a significant ₹196 crore in Series B funding, led by the prestigious British International Investment (BII), the UK's development finance institution (DFI). Our present impact investors such as Abler Nordic, Triple Jump BV and Incofin IM also participated in this funding round, resulting in a total funding of ₹ 271 crores over two rounds. This success not only solidifies our position as a leading player but also reflects the confidence of the investment community in our vision and potential.

Our operational growth achieved during this fiscal year is truly remarkable. We expanded our presence by venturing into the prosperous state of Himachal Pradesh and establishing 32 new branches across all the states that augment our total network to an impressive 149 branches. These branches, spanning across 84 districts in five states, namely Gujarat, Rajasthan, Madhya Pradesh, Haryana and Himachal Pradesh, serve as beacons of our unwavering commitment to reaching and serving a vast clientele.

Our relentless pursuit of excellence has yielded unparalleled results, with our customer base surging from 3.07 Lakhs to an awe-inspiring 3.89 Lakhs. This unprecedented growth is a testament to our unwavering dedication and strategic market penetration. In FY22-23, the company successfully developed and launched customer mobile application Light Money which will revolutionize the loan application and disbursal process going forward. This application aims to streamline the entire journey, from sourcing to disbursal, providing customers with a convenient and efficient experience.

The mobile application will provide EMI Payment options through UPI/QR codes facilitating seamless and convenient transactions. As of date, the mobile app has over 67,000 downloads with 67% of monthly active users.

Another achievement that we are proud of is our fully digital approach under which we are eliminating the need for physical paperwork. These paperless initiatives are in the process of successful adoption throughout the organization. These include the eKYC process which allows for electronic verification of customer identities, simplifying and expediting the onboarding process, e-signing enables the signing of agreements and contracts digitally, eliminating the need for physical signatures and facilitating efficient document management. The company has leveraged offline eKYC through Mobilight, enabling field agents to perform eKYC verification even in areas with limited or no internet connectivity.

Looking ahead, the company plans to pilot QR code generation for digital receipt payments. Their introduction will enable seamless payment tracking and reduces the reliance on paper-based documentation. This initiative aims to enhance payment convenience and efficiency by leveraging QR codes and digital payment platforms such as Bharat Pay (BBPS). The company's real digital collection rate is close to 12% and is increasing. Overall, the company's paperless initiatives in FY22-23 signify a strong commitment to digital transformation, improving operational efficiency, reducing costs and enhancing the overall customer experience.

We are incredibly proud to share that CARE, the esteemed credit rating agency, has assigned Light a coveted BBB+ Stable Credit Rating. This exceptional rating unequivocally affirms our robust financial position and industry reputation. Such recognition is a testament to our unwavering commitment to financial prudence and our ability to navigate even the most challenging economic landscapes.

Our borrowing prowess has reached unparalleled heights, with borrowings amounting to a staggering ₹1,386 Cr. Furthermore, during FY23, we procured fresh borrowings totalling ₹1,482 Cr., fueling our remarkable growth trajectory. Additionally, our profitability witnessed a meteoric rise, with profit after tax soaring by an astounding 392% compared to the previous fiscal year. Our exceptional growth culminated in an impressive ₹26.68 Cr. in profit after tax for FY23.

We are delighted to announce that in 2023, the Finance Ministry granted Light the authorization to undertake Aadhaar-based authentication of our customers. This KUA license distinguishes us as trailblazers, leveraging cutting-edge technology to enhance customer service and security. Another remarkable achievement was our appointment as the Designated Agency to register MSMEs and generate Udyam Registration Certificates. This esteemed recognition reinforces our unwavering commitment to empowering MSEs, establishing us as the go-to partner for their financial needs.

Beyond our outstanding financial performance, we remain deeply committed to our corporate social responsibility initiatives. Our engagement in community activities, such as blood donation camps and clothes and toy donation drives showcase our dedication to making a meaningful impact in the lives of those we serve. Moreover, we organized eye check-up camps in rural Gujarat, distributed stationery to children and provided sewing machines to women, empowering individuals and fostering sustainable development.

To ensure a thriving work environment, we have actively undertaken various employee engagement activities. Initiatives such as marathons and competitions have fostered a culture of teamwork, collaboration and holistic well-being within our organization. Moreover, we have invested significantly in external training programs to empower our management team. This includes participation in a management training programs by prestigious institutions including RBI. These investments in our team's growth and development exemplify our commitment to nurturing top-tier talent and driving continued success.

We extend our heartfelt gratitude to our dedicated employees, esteemed shareholders and invaluable customers for their unwavering trust and support. It is your strong belief in our vision that has propelled us to new heights.

As we embark on the next phase of our journey, we are confident in our ability to capitalize on the immense opportunities that lie ahead. Together, let us build an extraordinary future!

**Deepak Amin**  
**Managing Director**

**Rakesh Kumar**  
**Chief Executive Officer**

**Aviral Saini**  
**Chief Financial Officer**

# Centrestage Challenging the Status Quo



Light's Management is a force to be reckoned with in the industry and its frequent appearances at center stage during conferences, events and awards is proof of its dominance.



# Upskilling Programs The New Normal



Light's employee development program is a promising example of how to invest in your workforce. It is a testament to company's belief in the power of continuous learning.



# Employee Engagement The Power of a Workforce



At Light, employee engagement is not just a goal, it's a way of life. The company believes that work should be fun and rewarding because engaged employees are the key to success.





# Community Engagement Building a Better Tomorrow



Light's community engagement program, Joy of Living, is a bright example of the company's commitment to giving back to the community.



# Newsmakers Poised for Growth



## Better CX with doorstep services & digital processes

Light Microfinance's loan processes are completely digital and mobile, enabling a smooth, controllable customer journey through smart integrations:

Light Microfinance (LM) disbursed over 42,000 loans worth ₹2,460 billion in Q1 of the current financial year. This is 102% higher in accounts and 262% in amount y/y. Credit outflow had dried up in the first 6-9 months of the last FY, more specifically in rural areas, where LM primarily operates. With its rock-solid asset quality, LM attracted lenders to maintain healthy liquidity and were able to disburse in higher numbers to cater to the pent-up demand. The composition of the leadership team and their people-centric approach ensured employees and clients remained engaged and motivated to work with the organization through this difficult period. LM's growth was driven by the substantial demand in its rural operating areas. In its business model, LM provides doorstep loan facilities for all its customers.



Aviral Saini reveals that Light Microfinance is building proprietary software and algorithms that will give it a strong boost

upward mobility. However, repayment is still largely cash-based due to the nature of the rural economy. This is changing though.

LM has its integrations in place to assist its borrowers in their effort to digitize. Woman's ownership of mobiles has climbed up to 25% in rural areas. Saini underlines: "Our loan processes are completely digital and mobile, enabling a smooth, controllable customer journey through smart integrations and processed through proprietary in-house underwriting algorithms. The processes are running on the same tech backbone and do not differ in service ecosystems. This segment will, however, be much more glad to technology and requirements will be largely digital."

**APPS, DIGITAL PLATFORMS**  
LM has completely digitized its operations. Customer engagement through digital channels is a work in progress as LM works with its borrowers' current context. However, its client profile doesn't allow the submission

of online loan applications as rural customers still do not access to the internet, changing the trend of accessibility is clearly setting in. Also, adoption and subsequent trust in the system will take some more time to set in. LM is convinced the aspirational drive of its borrowers and the convenience of technology will create a compelling trend in the coming days. LM's field staff uses smartphones for all the processes right from onboarding customers to their credit checks.

Saini indicates: "We have a suite of our own mobile apps and digital platforms. We have invested in cloud-based systems since inception and all our loan processes till the disbursement are done through a mobile app that has been built by our technology team. We are confident of customers' adoption of technology with the trust they have in our systems."

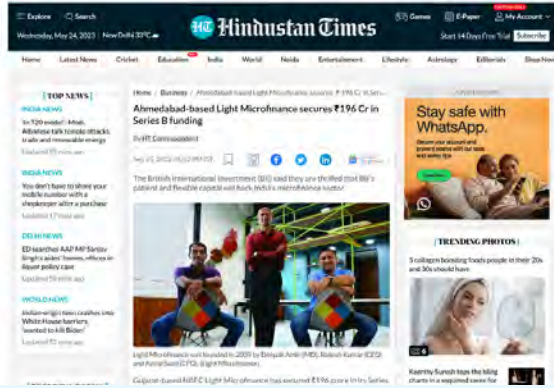
### FORCES FOR TECH ADOPTION

LM has been working in the microfinance segment since 2008. Over 90% of customers are from rural and semi-urban areas between 18-59 years of age. Currently, LM only offers loans to women borrowers and those with robust household cash flow. Based on its geographical presence, 60% of LM's loan portfolio is for agriculture and allied services, followed by 30% for trade and services and 10% for production. The supply chains for milk and FMCG products were exempted from restrictions. Thus, its collections were not adversely affected by covid.

LM has been investing in technology and is leveraging it into microfinance changing the game, Saini points out: "The app-based startup ecosystem does not differ in service ecosystems. This segment will, however, be much more glad to technology and requirements will be largely digital."

mehta@bankingfrontiers.com

Banking Frontiers November 2022 13



### LIGHT MICROFINANCE RAISES ₹196 CR IN SERIES B FUNDING ROUND

The Hyderabad-based microfinance company has raised the funding round from British International Investment, Nordic Jump and Incofin.



Light Microfinance (LM), an Ahmedabad-based microfinance company, has raised a Series B funding round of ₹196 crore from British International Investment, Nordic Jump and Incofin.

Light Microfinance will launch its 2023 FY by October 2023, says Aviral Saini, CEO and Founder of Light Microfinance.

**Geographical expansion**  
As per the initial plan, technology will be rolled out geographically expansion over time to broadly target product-led but not asset-led microfinance technology adoption.

Shree Bhandi, Managing Director and Head of India, British International Investment, said: "The partnership with Light will ensure continued and stable financial product support and growing financial inclusion among rural, semi-urban and urban women."

Light was the talk of the town in FY23, with all major Indian print and digital publications publishing about the company.

## Budget 2023: All you need to know about Mahila Samman Saving Certificate

FM announced a new one-time small savings scheme for women in the Union Budget.

HIRAL THANAWALA | FEBRUARY 01, 2023 | 03:14 PM IST



The Mahila Samman Saving Certificate is a suitable alternative to fixed deposits (FDs) invested in the name of a woman for the short term.

In the Union Budget 2023-24, Finance Minister Nirmala Sitharaman has announced a new small savings scheme for women investors. The scheme will be called Mahila Samman Saving Certificate (MSSC).

In the Union Budget 2023-24, Finance Minister Nirmala Sitharaman has announced a new small savings scheme for women investors. The scheme will be called Mahila Samman Saving Certificate (MSSC).

### What's the offer?

In this scheme, the deposits can be made in the name of a woman or a girl child. You can deposit up to Rs 2 lakh for a period of two years at a fixed rate of 7.5 percent. There are no tax benefits, but partial withdrawal is allowed in this scheme.

This is a one-time scheme announced in Budget 2023 and will remain available for a two-year period i.e. up to March 2025.

"Mahila Samman Saving Certificate with a higher rate of interest will encourage more women to adopt formal financial saving instruments," said Deepak Amin, Founder and Managing Director, Light.

## Light Microfinance Raises Series B Funding From BII, Others

By - Sneha Luthra  
23 Sep 2022



Credit: I23iF.com

Light Microfinance has raised ₹196 crore (₹24.1 million) in a Series B funding round, the company said in a statement on Thursday.

For the best experience use inshorts app on your smartphone

Light Microfinance secures funding

short by ANSHUJ AWASTHI | 11 | 1pm on 23 Sep 22

Ahmedabad-based NBFC Light Micro its Series B funding led by British International Investment's existing investors, Nordic Jump and Incofin. Also participate Kumar stated that the company will as well as its fintech offerings.

Read more at Hindustan Times

## British International Investment and others to pump in \$25 million in Light Microfinance

By Anshuaj Awasthi, Hindustan Times | 23 Sep 2022

As part of the biggest investment in microfinance space in recent times, the British International Investment along with existing investors Nordic Investment Management, Nordic Microfinance Initiative (NMI) and Danish Impact Investor Triple Jump will pump in \$25 million in the firm.

Microfinance, which has made strides over the past few years.

British International Investment, the development financial institution of the UK government, will be investing \$12 million in the NBFC. In parallel, NMI will raise in funding by another \$7 million investment while Triple Jump will put in \$1.4 million and Nordic will invest \$2 million, people familiar with the development said.

These three existing investors came on board between 2020 and June 2022 with a cumulative \$10 million investment.

"We plan to use the proceeds of the fresh investment in strategic expansion, new products and to boost our technology capabilities," managing Director, Sneha Luthra said.

Founded in 2019 by Aviral Saini, former senior executive of Infosys and a former senior financial officer, Light is planning to explore three products: Microloan, Pradhan and Odisha for expansion beyond its existing operations in Gujarat, Rajasthan, Madhya Pradesh and Jharkhand.

It also plans to invest in multiple technology interventions as it looks to ramp up its digital lending initiative as well as other technology-based interventions such as artificial intelligence-driven analytics platform and mobile applications.

Amin said that there could be follow-up equity expansion. "We are not sure about that," he said.

The lender is also looking to raise funds from its existing investors. "We have received letters from several British firms and we are talking to some of them separately," Amin said.

The lender, which had raised seven under management (UM) in its IPO round at the end of March, aims to raise \$100 million by March 2023. It is currently in the process of raising \$100 million from the company.

# Board of Directors



**Deepak Amin**  
Promoter & Managing Director



**Rakesh Kumar**  
CEO & Executive Director



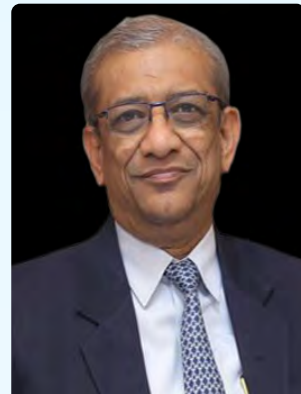
**Aviral Saini**  
CFO & Executive Director



**Chandan Sinha**  
Independent Director



**Anuj Kumar**  
Independent Director



**Praveen Kumar Gupta**  
Independent Director



**Aditya Bhandari**  
Nominee Director



**Thomas Klungsoyr**  
Nominee Director

# DIRECTOR'S REPORT

To,

The Members,

## LIGHT MICROFINANCE PRIVATE LIMITED ("Light")

Your Board of Directors (the "Board") takes pleasure in presenting the 29th Directors Report of the company along with the Audited Financial Statements for the year ended March 31, 2023.

### BUSINESS OVERVIEW

Financial Year 2022-23 saw an increase in the profitability as compared to the previous year due to increase in operational expenses. Light has experienced significant milestones as it continues to grow over the years and at this stage Light is poised to move into diverse areas. Company will continue to expand its business in existing territories and expand into new areas in the coming years to take advantage of growth and business opportunities.

### FINANCIAL HIGHLIGHTS:

(All figures in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	28,584.90	16,223.24
Other Income	514.06	108.07
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	14,985.02	6,878.88
Less: Depreciation/ Amortisation/ Impairment	390.43	529.68
Profit/loss before Finance Costs, Exceptional items and Tax Expense	14,594.59	6,349.20
Less: Finance Costs	11,349.76	7,687.02
Profit/loss before Exceptional items and Tax Expense	3,244.83	(1,337.82)
Add/(less): Exceptional items	-	-
Profit/loss before Tax Expense	3,244.83	(1,337.82)
Less: Tax Expense (Current & Deferred)	558.41	(328.12)
Profit/loss for the year (1)	2,686.43	(1,009.70)
Total Comprehensive Income/loss (2)	(18.76)	(82.68)
Total (1+2)	2,667.66	(1,092.37)
Balance of profit/loss for earlier years	(753.55)	537.10
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	533.53	108.52

Particulars	FY 2022-23	FY 2021-22
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	89.75
Less: Dividend Distribution Tax	-	-
Balance carried forward	1,380.59	(753.55)
Earnings per share:		
1. Basic	10.72	(4.03)
2. Diluted EPS	3.53	(4.03)

(All figures in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Shareholders' Fund	31,985.22	9,990.70
Non-current Liabilities	61,288.66	42,324.71
Current Liabilities	80,750.99	47,924.30
Non-Current Assets	79,001.25	38,098.29
Current Assets	95,023.62	62,141.42
Income	29,098.96	16,331.31
Expense	25,854.12	17,669.14

## RESULTS OF OPERATIONS:

- **Revenue**

Your Company reported a turnover of Rs 29,098.96 lakhs in the year ended on March 31, 2023, as compared to Rs 16,331.31 lakhs in the previous year.

- **Profit**

Your Company's profit after tax for the year ended on March 31, 2023, was recorded at Rs 2,686.43 lakh as compared to loss of Rs 1,009.71 lakhs in the previous year.

- **Other Financial Highlights**

Other income was at Rs 514.06 lakhs as against Rs 108.07 lakhs in the previous year, primarily on account of mutual fund gains and others.

Finance Cost was at Rs 11,349.76 lakhs as against Rs 7,687.02 lakhs in the previous year, primarily on account of new borrowings.

Depreciation and amortization expenses were Rs 390.43 lakhs as compared to Rs 529.68 lakhs in the previous year.

Basic Earnings Per Share (EPS) for the year ended March 31, 2023, was at Rs 10.72 as against Rs 4.03 in previous year. Diluted Earnings Per Share (EPS) for the year ended March 31, 2023, was at Rs 3.53 as against Rs 4.03 in previous year.

The Board of Directors of the Company is confident that the Management of the Company is capable of taking the company forward in the coming financial year.

## COMPANY AFFAIRS:

Your Company proudly announces that during the year under review the Company has listed its Non-Convertible Debentures [NCD] on the Bombay Stock Exchange. Below are the listing details:

Date of Listing	Numbers of NCD	Face Value	Holder Name	ISIN Number
30.09.2022	160	Rs. 10,00,000/-	Japan Asean Women Empowerment fund SA, SICAV-SIF	INE366T07097
15.12.2022	320	Rs. 10,00,000/-	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF	INE366T07113

Since the Company has listed its Non-Convertible Debentures [NCD] and considering the Requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company adopted Indian accounting Standards [Ind-AS] with effect from 30th September 2022.

## OPERATIONAL PERFORMANCE FOR THE FISCAL YEAR 2022-23 IS SUMMARIZED IN THE FOLLOWING TABLE:

Particulars	2022-23	2021-22
No. of Branches	149	127
Number of Members	389,540	309,241
Number of Employees	2553	1,686
Number of States	5	4
Amount disbursed (Rs in crores)	Rs 1,744	Rs 985.10
Portfolio Outstanding (Rs in crores)	Rs 1,782	Rs 1064.33

## CHANGES IN SHARE CAPITAL

- Authorised Share Capital

During the year, the Authorised share capital was increased as mentioned below:

Board Meeting/Circular Resolution Date	AGM/ EGM Date	Old Authorised Capital	Reclassified Authorised Share Capital			Reclassified Authorised Capital
			Equity Share Capital [FV- Rs10/-]	Preference Share Capital [FV- Rs 10/-]	Preference Share Capital [FV- Rs 20/-]	
Circular Resolution by Board dated 19.08.2022	EGM dated 20.08.2022	154,50,00,000	63,18,00,000	21,32,00,000	70,00,00,000	154,50,00,000

- **Paid-up Share Capital**

The changes in the paid-up share capital during the year are shown as under:

Meeting date	Increase in Paid-up Share Capital		Total Paid-up Share Capital as on March 31, 2023
	Equity	Preference	
Securities Allotment Committee meeting dated 20.09.2022 for allotment of Equity shares and Compulsorily Convertible Preference Shares Series B	10 Shares of Rs. 10/- each	3,09,59,699 shares- of Rs 20/- each	Rs 61,91,93,980 /-

### **DIVIDEND AND RESERVES:**

In view of the fact that your Company is a rapidly growing company and constantly in need of capital to fuel its growth, your directors does not recommend the distribution of dividend for the financial year 2022-23.

The Company has transferred Rs 533.53 Lakh/- to the reserves during the Financial Year ended March 31, 2023, in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

### **DETAILS OF NON-CONVERTIBLE DEBENTURES ISSUED:**

Company has issued Non-Convertible Debentures through private placement during the year

Sr No	No of NCD	No of Allottees	Date of Board of Directors Approval	Date of Members Approval	Date of Allotment
1	160	1	24.05.2022	07.06.2022	26.09.2022
2	24456	2	24.05.2022	07.06.2022	24.11.2022
3	320	1	24.05.2022	07.06.2022	12.12.2022
4	2500	2	24.05.2022	07.06.2022	28.03.2023

The details of debenture trustee for all the above mentioned Non-Convertible debentures issued by the Company during FY 2022-23 is as under:

<b>Name of Debenture trustee</b>	Beacon Trusteeship Limited
<b>Registered office</b>	4 C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East) Mumbai – 400 051
<b>CIN</b>	U74999MH2015PLC271288
<b>Contact Details</b>	Email address: <a href="mailto:compliance@beacontrustee.co.in">compliance@beacontrustee.co.in</a> Contact person: Mr. Vitthal Nawandhar, CEO Website: <a href="https://beacontrustee.co.in/">https://beacontrustee.co.in/</a>

<b>Name of Debenture trustee</b>	Catalyst Trusteeship Limited
<b>Registered office</b>	Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India
<b>CIN</b>	U74999PN1997PLC110262
<b>Contact Details</b>	Email address: ComplianceCTL-Mumbai@ctltrustee.com Contact person: Mr. Umesh Salvi, Managing Director Website: www.catalysttrustee.com

### **DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture or Associate Company during the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES:**

During the year under consideration, the Company has not granted any Loans, guarantees or has made any investment which requires disclosures under Section 186 of Companies Act, 2013.

### **INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEMS**

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial Controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively. During the financial year under review, no material or serious observation has been made regarding inefficacy or inadequacy of such controls. Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, continuous monitoring by functional expenses as well as testing of the Internal Financial Control systems by the statutory auditor and internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls. The Company maintains an adequate and effective internal control system, commensurate with its size and complexity. The Company believes that these internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

### **DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from each independent director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013. In the opinion of the Board, the Independent Directors appointed during the year possess the requisite integrity, expertise, experience and proficiency.

The Company has received following documents as per Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking company and deposit taking company (Reserve Bank) Directions, 2016 issued by the RBI dated September 01, 2016 ('RBI Master Directions') and Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 issued by the RBI dated March 14, 2022 ('RBI MFL Directions'), updated from time to time and Corporate Governance Policy of the Company.

1. Declaration in the format mentioned in the Corporate Governance Policy of the Company approved vide Board meeting held on February 11, 2022.



2. Executed the deed of covenant as per para 72 of the RBI Master Directions [Fit and Proper Criteria] in the format given in Annex XV of the RBI directions.

3. As per Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the RBI dated October 22, 2021, and within the permissible limits in terms of Companies Act, 2013, a declaration from the independent director that he/she shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time.

## CORPORATE GOVERNANCE:

The Company believes in the philosophy of conducting the business through fair and ethical means and has set the best of corporate governance practice in its day to day operations, aimed at building trust with all its stakeholders.

As per applicable RBI guidelines, the Company has constituted following committees:

Sr. No.	Name of Committee
1	Audit Committee
2	Nomination and remuneration committee
3	Risk Management Committee
4	Asset Liability Management Committee
5	IT Strategy Committee

The Corporate Governance Report of the Company for Financial Year 2022-23 is attached herewith as "Annexure -A".

The Company has displayed policy on corporate governance on its website

<https://lightfinance.com/wp-content/uploads/2022/06/Final-Corporate-Governance-Policy-18.02.2021.pdf>

## DETAILS OF BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL:

During the year under review, following changes occurred in the Board of the Company:

- **Appointment of Mr. Aditya Bhandari and Mr. Thomas Klungsøyr as Nominee Directors**

Mr. Aditya Bhandari was appointed as Nominee Director representing agRIF Coöperatief U.A. – the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on 25th August 2022. Necessary filing for the same with Ministry of corporate affairs was done by the company on 19th September 2022.

Mr. Thomas Klungsøyr was appointed as Nominee Director representing NMI Fund IV KS– the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on 25th August 2022. Necessary filing for the same with Ministry of corporate affairs was done by the company on 19th September 2022.

- **Regularization of Mr. Parveen Kumar Gupta as Independent Director**

Mr Parveen Kumar Gupta was regularized in the Annual General Meeting of the Company Held on 27th September 2022 as "Independent Director" of the Company pursuant to the provisions of Section 161 of Companies Act, 2013. Necessary filing for the same with Ministry of corporate affairs was done by the company on 01st October 2022.

- **Resignation of Mr. Parveen Kumar Gupta as Independent Director**

Mr Parveen Kumar Gupta resigned as Independent Director of the company vide resignation letter dated 07th June 2023. Necessary filing for the same with Ministry of corporate affairs was done by the company on 12th June 2023.

In accordance with Section 203 of the Companies Act, 2013, the Company has following Key Management Personnel as on date of the Board Report:

Sr. No.	NAME	DESIGNATION
1	Mr Deepak Amin	Managing Director
2	Mr Rakesh Kumar	Chief Executive Officer
3	Mr Aviral Saini	Chief Financial Officer
4	Ms Madhavi Gajjar	Company Secretary and Compliance Officer

### **PERFORMANCE EVALUATION:**

The Board of Directors have carried out an annual performance evaluation of Board, Board Committees and Individual Directors pursuant to the provisions of Schedule VI of Companies Act, 2013.

- The performance of the Board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The Board of Directors carried out the evaluation on the basis of different criteria i.e. participation of Directors at Board/ Committee meetings, managing relationship, knowledge and skill, ethics and contribution, composition and quality of Board, Board meeting and its procedures, Board strategy and risk management, composition and duties of Committees.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

**Pursuant to section 134(5) of the Companies Act, 2013, the Directors hereby confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts for the FY March 31, 2023, on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

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

## CHANGE IN NATURE OF BUSINESS, IF ANY:

Your Company continues to operate as a microfinance business and during the year under review, there was no change in nature of the business of the Company.

## EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2023 made under the provisions of Section 92(3) of the Act is attached as "Annexure B" attached herewith and which forms part of this Report and annual return uploaded on the Company's Website can be assessed at <https://www.lightfinance.com/>

## NUMBER OF MEETINGS OF THE BOARD:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the routine and special business of the Company. The Board meetings are generally held at the corporate office of the Company. During the year under review, the Board of Directors of the Company met 04 (Four) times. The names of the members of the Board, their attendance at the Board Meeting is as under:

Sr. No	Day & Date of BM	Deepak Amin	Rakesh Kumar	Aviral Saini	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Aditya Bhandari	Thomas Klungsøyr
1	Tuesday, 24.05.2022	✓	✓	✓	-	✓	✓	-*	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	✓	✓	-*	-*
3	Wednesday, 16.11.2022	✓	✓	✓	✓	-	✓	-	✓
4	Friday, 10.02.2023	✓	✓	✓	-	✓	✓	-	✓

\* Mr. Thomas Klungsøyr and Mr. Aditya Bhandari were appointed as Nominee Director representing the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on 25th August 2022.

\* Mr Parveen Kumar Gupta has resigned as Independent Director from with effect from 07th June 2023.

## NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:

During the year under review, Members of the Audit Committee of the Company met 04 (Four) times. The Committee functions as per the terms of references specified by the Board. The names of the members of the Committee, their attendance at the Audit Committee Meeting is as under:

Sr No	Day & Date of Meeting	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Deepak Amin	Aditya Bhandari
1	Tuesday, 24.05.2022	-	✓	-*	✓	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	-*
3	Wednesday, 16.11.2022	✓	-	✓	✓	-
4	Friday, 10.02.2023	-	✓	✓	✓	-

\* Mr. Parveen Kumar Gupta was appointed as member of the Audit Committee of the Company vide Board meeting dated 24th May 2022.

\* Mr. Aditya Bhandari was appointed as Member of the Audit Committee of the Company, vide Board Meeting held on 10th February 2023.

### NUMBER OF MEETINGS OF THE NOMINATION & REMUNERATION COMMITTEE (NRC):

During the year under review, Members of the Nomination and Remuneration Committee (NRC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Nomination and Remuneration Committee Meetings are as under:

Sr. No	Day and Date of Meeting	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Deepak Amin	Thomas Klungsøyr
1	Tuesday, 24.05.2022	-	✓	-*	✓	-*
2	Thursday 25.08.2022	✓	✓	✓	✓	-*
3	Friday, 10.02.2023	-	✓	✓	✓	-
4	Wednesday, 15.03.2023	✓	✓	✓	✓	✓

\* Mr. Parveen Kumar Gupta was appointed as member of the Nomination and Remuneration Committee of the Company vide Board meeting dated 24th May 2022.

\* Mr. Thomas Klungsøyr was appointed as Member of the Nomination and Remuneration Committee of the Company, vide Board Meeting held on 10th February 2023.

### NUMBER OF MEETINGS OF THE RISK MANAGEMENT COMMITTEE (RMC):

During the year under review, Members of the Risk Management Committee (RMC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Risk Management Committee Meetings is as under:

Sr. No	Day and Date of Meeting	Deepak Amin	Rakesh Kumar	Aviral Saini	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Thomas Klungsøyr
1	Tuesday, 24.05.2022	✓	✓	✓	-	-*	-*	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	✓	✓	-*
3	Wednesday, 16.11.2022	✓	✓	✓	✓	-	✓	-*
4	Friday, 10.02.2023	✓	✓	✓	-	✓	✓	-*

\* Mr. Parveen Kumar Gupta and Mr. Chandan Sinha were appointed as members of the Risk Management Committee of the Company vide Board meeting dated 24th May 2022.

\* Mr. Thomas Klungsøyr was appointed as Member of the Risk Management Committee of the Company, vide Board Meeting held on 10th February 2023.

### NUMBER OF MEETINGS OF THE SECURITIES ALLOTMENT COMMITTEE (SAC):

During the year under review, Members of the Securities Allotment Committee (SAC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Share Allotment Committee Meetings is as under:

Sr. No	Day & Date of Meeting	Rakesh Kumar	Aviral Saini	Deepak Amin
1	Tuesday, 20.09.2022	✓	✓	✓
2	Monday, 26.09.2022	✓	✓	✓
3	Thursday, 24.11.2022	✓	✓	✓
4	Monday, 12.12.2022	✓	✓	✓
5	Tuesday, 28.03.2023	✓	✓	✓

### NUMBER OF MEETINGS OF THE SHARES TRANSFER COMMITTEE (STC):

No share transfers were registered during the financial year - 2022-23.

### NUMBER OF MEETINGS OF THE INTERNAL COMPLAINTS COMMITTEE (ICC):

During the year under review, Members of the Internal Complaints Committee (ICC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Internal Complaints Committee Meetings is as under:

Sr. No.	Day and Date of Meeting	Anuja Kochhar – HR Head [Presiding Officer]	Madhavi Gajjar – Company Secretary	Vrunda Rawal – Assisting Company Secretary	Dr. Rajeshwari Narendran [External Member]	Gujarat State Head	Rajasthan State Head	Madhya Pradesh & Haryana State Head
1	Friday, 29.04.2022	✓	✓	✓	✓	✓	-*	-*
2	Thursday, 28.07.2022	✓	✓	✓	✓	-*	-*	-*
3	Wednesday 31.10.2022	✓	✓	✓	-*	-*	-*	-*
4	Friday, 20.01.2023	✓	✓	-*	✓	-*	-*	-*

\* State Heads were granted leave of absence. Therefore, they were not present in the ICC Committee meeting held on 29.04.2022, 28.07.2022, 31.10.2022 and 20.01.2023.

\* Dr. Rajeshwari Narendran was granted leave of absence. Therefore, she was not present in the ICC Committee meeting held on 31.10.2022.

\* Vrunda Rawal was granted leave of absence for the meeting dated 20.01.2023

## NUMBER OF MEETINGS OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC):

During the year under review, Members of the Corporate Social Responsibility Committee (CSRC) of the Company met 01 (One) time. The names of the members of the Committee, their attendance at the Corporate Social Responsibility Committee Meetings is as under:

Sr. No	Day and Date of Meeting	Rakesh Kumar	Aviral Saini	Deepak Amin
1	Tuesday, 24.05.2022	✓	✓	✓

### Details of Amount spent by the Company as Corporate Social responsibility Expenditure as per section 135 of the companies Act 2013:

(a) CSR amount spent or unspent for the financial year 2021-22 in FY 2022-23: **Rs. 18,35,382. There was no amount unspent.**

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable as there is no ongoing project.**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. No	Name of project	Item from the list of activities in schedule VII to the Companies Act, 2013.	Local area (Yes/No)	Location of the project		Amount spent for the project (Amt Rs. In Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				Satet	District			Name	CSR Registration number
1	Ek Hi Iccha, Sabko Shiksha	(ii)	YES	Gujarat	Dahod	18.36	NO	Ahmedabad Women's action Group [AWAG Ahmedabad Women's action Group [AWAG	CSR00000709 CSR00000709
2	Nirog	(iv)	YES	Gujarat	Dahod		NO		
3	Aapka Bhagya, Aapke Haath	(iii)	YES	Gujarat	Ahmedabad		NO		
<b>TOTAL</b>						<b>18.36</b>			

Considering the explanation provided in section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company had constituted a Corporate Social Responsibility [CSR] Committee. The Board of Directors of the Company have constituted the Corporate Social Responsibility Committee consisting of the following members as on date:

1. Mr. Deepak Amin, Managing Director
2. Mr. Rakesh Kumar, CEO & Executive Director
3. Mr. Aviral Saini, CFO & Executive Director

The Board of Directors of the Company has approved a CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy.

The CSR Policy of the Company is available on the Company's website and can be accessed at link: <https://lightfinance.com/wp-content/uploads/2022/06/Corporate-Social-Responsibility-Policy.pdf>

The report on CSR activities is annexed herewith marked as "Annexure C" [The CSR Report of the Company is available on the company's website and can be accessed at link: <https://www.lightfinance.com/wp-content/uploads/2023/06/CSR-Report-2022-23.pdf>]

### NUMBER OF MEETINGS OF THE ASSET LIABILITY COMMITTEE (ALCO):

During the year under review, Members of the Asset Liability Committee (ALCO) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Asset Liability Committee Meetings is as under:

Sr. No	Day and Date of Meeting	Rakesh Kumar [CEO]	Aviral Saini [CFO]	Deepak Amin [MD]	Madhavi Gajjar [CS]
1	Thursday, 30.06.2022	✓	✓	✓	-*
2	Thursday, 30.09.2022	✓	✓	✓	-*
3	Saturday, 31.12.2022	✓	✓	✓	-*
4	Friday, 31.03.2023	✓	✓	✓	-*

\* Due to pre-occupancy, the Company Secretary was granted leave of absence. Therefore, Madhavi Gajjar was not present in all the Asset Liability Committee meeting.

### NUMBER OF MEETINGS OF THE EXTRA-ORDINARY GENERAL MEETING [EGM]:

During the year under review, Members of the Extra-Ordinary General Meeting (EGM) of the Company met 4 times:

Sr. No	Day and Date of EGM
1	Tuesday, 07.06.2022
2	Saturday, 20.08.2022
3	Friday, 26.08.2022
4	Monday, 19.09.2022

### NUMBER OF MEETINGS OF THE IT STRATEGY COMMITTEE (ITST):

During the year under review, Members of the IT Strategy Committee (ITST) of the Company met 03 (Three) times. The names of the members of the Committee, their attendance at the IT Strategy Committee Meetings is as under:

Sr. No	Day and Date of EGM	Rakesh Kumar	Aviral Saini	Deepak Amin	Anuj Kumar	Satish Dhupdale	Aditya Bhandari
1	Tuesday, 24.05.2022	✓	✓	✓	-*	✓	-**
2	Thursday, 25.08.2022	✓	✓	✓	✓	✓	-**
3	Friday, 10.02.2023	✓	✓	✓	-*	✓	-**

\* Due to pre-occupancy, Mr. Anuj Kumar was granted leave of absence.

\*\* Mr. Aditya Bhandari was appointed as Member of the IT Strategy Committee of the Company, vide Board Meeting held on 10th February 2023.

## **PARTICULARS OF CONTRACT AND ARRANGMENT WITH RELATED PARTIES:**

During the year ended 31st March 2022, the Company has not entered into any related party transactions under Section 188 of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required. However, the disclosures of transactions with related party for the financial year, as per Accounting Standard - 18 Related Party Disclosures is given in Note. No 22 (I) to the Balance Sheet as on March 31st, 2023. "

The Related Party Transaction Policy of the Company is available on the Company's website and can be accessed at link:

<https://www.lightfinance.com/wp-content/uploads/2023/06/Related-Party-Transaction-Policy.pdf>

## **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place an appropriate policy in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees.

Your Company is in compliance with the provisions relating to Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is having Committee named "Internal Complaints Committee" which was created as per the regulatory requirements. Internal Complaints Committee was reconstituted, vide Board Meeting held on 10th February 2023. The details of the Committee and their members are as under:

<b>Members</b>	<b>Designation</b>
Ms. Jyotika Sood	Lead Communications
Dr. Damini Shah	External Member
Ms. Nidhi Shah	Assistant Manager-HR
Ms. Trupti Thakkar	Manager-Admin
Mr. Jayanta Chatterjee	Business Head

The designated email id for registering complaints for sexual harassment at workplace is [help@lightfinance.com](mailto:help@lightfinance.com)

The Company did not receive any complaints for the F.Y 2022-23

The Company has also filed Annual Report for the calendar year ending 31st December 2022 as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act on 12th January 2023.

## **AUDITORS:**

### **1. Statutory Auditor:**

M/S CNK and Associates LLP, appointed as the Statutory Auditors of the Company in the Board meeting held on 19th August, 2021 as per Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any enactment or modification thereof, to hold the office from the conclusion of this 27th Annual General Meeting held on 23rd September 2021, till the conclusion of 30th Annual General Meeting of the Company, at a remuneration, decided by the Board of Directors in consultation with the auditors plus applicable, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory service tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of the audit.



M/ s. CNK and Associates LLP have conducted statutory audit for the FY 2022-23 and have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

The Auditors' Report on the accounts of the Company for the accounting year ended 31st March 2023 is self-explanatory and do not call for further explanations or comments and may be treated as adequate compliance of Section 134 of the Companies Act, 2013.

## **2. Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Paliwal & Co., Practicing Company Secretary (COP No. 12119), Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for FY 2022-23 is annexed herewith as 'Annexure - D'.

The Board of Directors has duly reviewed the Secretarial Auditors' Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

## **3. Internal Auditor:**

Pursuant to provisions of Section 138 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Sorab S. Engineer & Co., Chartered Accountants re-appointed as Internal Auditors of the Company for the F.Y. 2022-23 in the board meeting held on 25th May, 2022. The Internal Auditor is appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports its findings on the internal audit of the Company to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

## **4. Cost Auditor:**

The provision of Cost Audit as per Section 148 is Not Applicable on the Company.

## **5. Information System Auditor:**

The Company had appointed M/S Sorab S. Engineer and Co. as Information system auditor of the Company for FY 2022-23, as per RBI Master Direction - Information Technology framework for the NBFC sector [Master Direction dnbs.ppd.no.04/66.15.001/2016-17] dated June 08, 2017, at a remuneration, decided by the Board of Directors in consultation with the Auditors plus applicable Goods & Service Tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of the audit, in the board meeting held on 25th May 2022.

## **ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGES**

### **EARNING & OUTGO:**

#### **(A) ENERGY CONSERVATION:**

(i) The steps taken or impact on conservation of energy:

The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

One such step is:

Replacement of conventional lighting with Light Emitting Diode (LED) lighting:

The Company has installed LED lighting in Branch Offices of the Company during the year under review.

(ii) The steps taken by the Company for utilizing alternate sources of energy: Nil.

(iii) The capital investment on energy conservation equipment: Nil.

## **(B) TECHNOLOGY ABSORPTION:**

- (i) The efforts made towards technology absorption: Not Applicable
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
- (a) Details of Technology Imported;
- (b) Year of Import;
- (c) Whether the Technology has been fully absorbed;
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.
- (iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

## **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review, the company has made below mentioned foreign expenses and income:

<b>Particulars</b>	<b>Currency</b>	<b>FY 2022-23</b>
Expenditure in Foreign Currency MIS Infrastructure Expenses	US Dollars	17,321.46
	EUR	8,308
	Indian Rupees (In Lakhs)	21.20
Expenditure of Processing Fees on NCD	US Dollars	29,824
	Indian Rupees (In Lakhs)	24.46
Earning in Foreign Currency		-

## **RISK MANAGEMENT POLICY & FRAMEWORK:**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

During the year, the Risk Management Committee was reconstituted Twice on following dates:

<b>Board Meeting Date</b>	<b>Members</b>
24.05.2022	1. Mr. Deepak Amin- Chairperson 2. Mr. Anuj Kumar- Member 3. Mr. Rakesh Kumar- Member 4. Mr. Aviral Saini- Member 5. Mr. Chandan Sinha- Member 6. Parveen Kumar Gupta-Member
10.02.2023	1. Mr. Deepak Amin- Chairperson 2. Mr. Anuj Kumar-Member 3. Mr. Rakesh Kumar-Member 4. Mr. Aviral Saini-Member 5. Mr. Chandan Sinha-Member 6. Mr. Parveen Kumar Gupta-Member 7. Mr. Thomas Klungsøyr-Member

## NOMINATION AND REMUNERATION POLICY:

The Company has, in order to attract, motivate and retain manpower in competitive market and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, devised a policy for Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management. Key points of the Policy are:

### A. Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Personnel:

- The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management personnel and recommend to the Board for his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
- In case of appointment of Independent Director, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

### B. Policy on remuneration of Director, key managerial personnel and senior management personnel:

"The Company's remuneration policy is driven by the success and performance of the Director, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them and provide adequate compensation with the Objective of the Company so that the compensation is used as a strategic tool that helps it to attract, retain and motivate highly talented individuals who are committed to the core values of the Company."

During the year, the Risk Management Committee was reconstituted Twice on following dates:

Board Meeting Date	Members
24.05.2022	1. Mr. Anuj Kumar- Member 2. Mr. Chandan Sinha- Member 3. Mr. Parveen Kumar Gupta- Member 4. Mr. Deepak Amin – Member.
10.02.2023	1. Mr. Anuj Kumar-Member 2. Mr. Chandan Sinha-Member 3. Mr. Parveen Kumar Gupta-Member 4. Mr. Deepak Amin- Member 5. Mr. Thomas Klungsøyr-Member

The Company has displayed Nomination and Remuneration Policy on website of the company. [<https://www.lightfinance.com/wp-content/uploads/2023/06/Nomination-And-Remuneration-Policy.pdf>]

## CONSOLIDATED FINANCIAL STATEMENTS:

Company doesn't have any subsidiaries so there is no need to prepare Consolidated Financial Statement for the F.Y. 2022-23.

## MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed discussion on the Company's operational and financial performance are given in Management Discussion and Analysis Report which is annexed to this report as "Annexure E".

## DEPOSITS:

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India, 1993, has granted

NBFC-MFI (Registration no. B-14.03244) status to the Company. During the FY 2022-23, the Company has not accepted any public deposits and the Board of Directors has passed the resolution that the Company will not accept or hold any public deposits in FY 2022-23.

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. There were no deposits, which were claimed and remained unpaid by the Company as on 31st March 2023.

### **RESERVE BANK OF INDIA (RBI) DIRECTIONS:**

The Company is registered with RBI as a NBFC-MFI via Registration No. 14.01513. The Company continues to comply with the requirements prescribed by the RBI as applicable to it. RBI via notification RBI/2021-22/112DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on Framework for Scale Based Regulation for Non-Banking Financial Companies, bifurcated the Regulatory structure of NBFCs in four layers i.e. NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL) based on their size, activity, and perceived riskiness. Your Company being a NBFC - Middle Layer (NBFC-ML), endeavors to ensure the compliance with this notification.

RBI via the MFL Master Directions provides the framework for providing the collateral free loan irrespective of end use and mode of application processing/ disbursal either through physical or digital channels), provided to low income households having household income upto INR 3,00,000/-. Light being NBFC-MFI is complied with the aforesaid directions.

### **FRAUD REPORTING:**

No material fraud has been found during the period under review. However, the details of fraud during the year have been referred to in Note no. 29 (PP) of the financial statements.

### **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year of the Company and the date of this report.

### **VIGIL MECHANISM:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The Whistle Blower Policy of the Company is available on the website of the Company at [www.lightfinance.com](http://www.lightfinance.com). [<https://www.lightfinance.com/wp-content/uploads/2023/06/Whistle-Blower-Policy.pdf>]

### **SECRETARIAL STANDARDS:**

The Company has complied with the provisions of Secretarial Standards applicable to the Company.

### **HUMAN RESOURCES & PARTICULARS OF EMPLOYEES:**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent. Several programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enhancement.

There is no employee of the Company covered under Sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **EMPLOYEE STOCK OPTIONS [ESOP]**

The Board of Directors had approved "ESOP Plan 2018" in the Board Meeting held on 19th June 2018 and the same was approved by the Members in the Extra-Ordinary Meeting held on 23rd June 2018.

The Company had granted 9,84,400 ESOP to Four employees in 2018 at an exercise price of Rs 10.63/-.

The Board of Director amended the "ESOP Plan 2018" in the Board Meeting held on 20th May 2021 by changing the restriction on maximum number of options that may be granted to each employee to be 10,00,000 in number per eligible employee.

The Board of Directors further approved granted 5,02,000 ESOPs to Thirty-Five employees at an exercise price of Rs 37.70/- vide Board meeting held on 20th May 2021. The same was approved by the Members in the Extra-Ordinary Meeting held on 15th June 2021.

46,000 options granted on June 23, 2018, and 50,000 options granted on June 15, 2021, to Mr. Nehal Shah, Chief Business Officer - JLG & MSME were lapsed due to his resignation.

The ESOP disclosure pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, and the provisions under section 62 of the Companies Act 2013 and rules framed there under are enclosed as "Annexure F".

## **DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, there were no applications made or proceeding pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

## **DETAILS OF DIFFERENCE VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANK AND FINANCIAL INSTITUTIONS:**

During the year under review, there has been no one time settlement of Loans from Banks and Financial Institutions.

## **ACKNOWLEDGEMENTS:**

Your directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, debenture holders, bankers, lenders, regulatory bodies, and other business constituents during the year under review. Your directors also wish to place on record their deep sense of appreciation for the commitment displayed by all the executives, officers and employees, resulting in the successful performance of the Company during the year.

Signing as per Board Resolution passed for and on behalf of the Board of Directors.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF LIGHT MICROFINANCE PRIVATE LIMITED**

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**DEEPAK AMIN**  
**MANAGING DIRECTOR**  
**DIN NO. 01289453**

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**RAKESH KUMAR**  
**CEO & EXECUTIVE DIRECTOR**  
**DIN NO.03430670**

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**AVIRAL SAINI**  
**CFO & EXECUTIVE DIRECTOR**  
**DIN NO.03534719**

DATE: - \_\_\_\_\_

PLACE: - AHMEDABAD

# ANNEXURES

# ANNEXURE A

## CORPORATE GOVERNANCE REPORT

### A) BOARD OF DIRECTORS

Sr No	Name	Designation
1	Mr Chandan Sinha	Independent Director
2	Mr Anuj Kumar	Independent Director
3	*Mr Parveen Kumar Gupta	Independent Director
4	Mr Deepak Amin	Managing Director
5	Mr Rakesh Kumar	Chief Executive Officer and Executive Director
6	Mr Aviral Saini	Chief Financial Officer and Executive Director
7	**Mr Aditya Bhandari	Nominee Director representing agRIF Coöperatief U.A. – the existing Compulsorily Convertible Preference Shareholder of the Company
8	**Mr Thomas Klungsøyr	Nominee Director representing NMI Fund IV KS– the existing Compulsorily Convertible Preference Shareholder of the Company

*\*\* Mr Thomas Klungsøyr and Mr Aditya Bhandari were appointed as Nominee Director representing the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on 25th August 2022.*

*\* Mr Parveen Kumar Gupta has resigned as Independent Director from with effect from 07th June 2023.*

## B) MEETINGS AND ATTENDANCE

**NUMBER OF MEETINGS OF THE BOARD:** Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the routine and special business of the Company. The Board meetings are generally held at the corporate office of the Company.

During the year under review, Board of Directors of the Company met 04 (Four) times. The names of the members of the Board, their attendance at the Board Meetings are as under:

Sr No	Day & Date of BM	Deepak Amin	Rakesh Kumar	Aviral Saini	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	*Aditya Bhandari	*Thomas Klungsøyr
1	Tuesday, 24.05.2022	✓	✓	✓	-	✓	✓	-*	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	✓	✓	-*	-*
3	Wednesday, 16.11.2022	✓	✓	✓	✓	-	✓	-	✓
4	Friday, 10.02.2023	✓	✓	✓	-	✓	✓	-	✓

\* Mr Thomas Klungsøyr and Mr Aditya Bhandari were appointed as Nominee Director representing the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on 25th August 2022.

\*Mr Parveen Kumar Gupta has resigned as Independent Director from with effect from 07th June 2023.

**NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:** During the year under review, Members of the Audit Committee of the Company met 04 (Four) times. The Committee functions as per the terms of references specified by the Board. The names of the members of the Committee, their attendance at the Audit Committee Meeting is as under:

Sr No	Day & Date of Meeting	Anuj Kumar	Chandan Sinha	*Parveen Kumar Gupta	Deepak Amin	**Aditya Bhandari
1	Tuesday, 24.05.2022	-	✓	-*	✓	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	-*
3	Wednesday, 16.11.2022	✓	-	✓	✓	-
4	Friday, 10.02.2023	-	✓	✓	✓	-

\* Mr Parveen Kumar Gupta was appointed as member of the Audit Committee of the Company vide Board meeting dated 24th May 2022.

\*\* Mr Aditya Bhandari was appointed as Member of the Audit Committee of the Company, vide Board Meeting held on 10th February 2023.

**NUMBER OF MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC):** During the year under review, Members of the Nomination and Remuneration Committee (NRC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Nomination and Remuneration Committee Meetings are as under:



Sr No	Day & Date of Meeting	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Deepak Amin	Thomas Klungsøyr
1	Tuesday, 24.05.2022	-	✓	-*	✓	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	-*
3	Friday, 10.02.2023	-	✓	✓	✓	-
4	Wednesday, 15.03.2023	✓	✓	✓	✓	✓

\*Mr Parveen Kumar Gupta was appointed as member of the Nomination and Remuneration Committee of the Company vide Board meeting dated 24th May 2022.

\*Mr Thomas Klungsøyr was appointed as Member of the Nomination and Remuneration Committee of the Company, vide Board Meeting held on 10th February 2023.

**NUMBER OF MEETINGS OF THE RISK MANAGEMENT COMMITTEE (RMC):** During the year under review, Members of the Risk Management Committee (RMC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Risk Management Committee Meetings is as under:

Sr No	Day & Date of Meeting	Deepak Amin	Rakesh Kumar	Aviral Saini	Anuj Kumar	Chandan Sinha	Parveen Kumar Gupta	Thomas Klungsøyr
1	Tuesday, 24.05.2022	✓	✓	✓	-	-*	-	-**
2	Thursday, 25.08.2022	✓	✓	✓	✓	✓	✓	-**
3	Wednesday, 16.11.2022	✓	✓	✓	✓	-	✓	-**
4	Friday, 10.02.2023	✓	✓	✓	-	✓	✓	-**

\* Mr Parveen Kumar Gupta and Mr Chandan Sinha were appointed as members of the Risk Management Committee of the Company vide Board meeting dated 24th May 2022.

\*\* Mr Thomas Klungsøyr was appointed as Member of the Risk Management Committee of the Company, vide Board Meeting held on 10th February 2023.

**NUMBER OF MEETINGS OF THE SECURITIES ALLOTMENT COMMITTEE (SAC):** During the year under review, Members of the Securities Allotment Committee (SAC) of the Company met 05 (Five) times. The names of the members of the Committee, their attendance at the Share Allotment Committee Meetings is as under:

Sr No	Day & Date of Meeting	Rakesh Kumar	Aviral Saini	Deepak Amin
1	Tuesday, 20.09.2022	✓	✓	✓
2	Monday, 26.09.2022	✓	✓	✓
3	Thursday, 24.11.2022	✓	✓	✓
4	Monday, 12.12.2022	✓	✓	✓
5	Tuesday, 28.03.2023	✓	✓	✓

**NUMBER OF MEETINGS OF THE SHARES TRANSFER COMMITTEE (STC):** No share transfers were registered during the financial year - 2022-23.

**NUMBER OF MEETINGS OF THE INTERNAL COMPLAINTS COMMITTEE (ICC):** During the year under review, Members of the Internal Complaints Committee (ICC) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Internal Complaints Committee Meetings is as under:

Sr No	Day & Date of Meeting	Anuja Kochhar – HR Head [Presiding Officer]	Madhavi Gajjar – Company Secretary	Vrunda Rawal – Assisting Company Secretary	Dr Rajeshwari Narendran [External Member]	Gujarat State Head	Rajasthan State Head	Madhya Pradesh & Haryana State Head
1	Friday, 29.04.2022	✓	✓	✓	✓	✓	-*	-*
2	Thursday, 28.07.2022	✓	✓	✓	✓	-*	-*	-*
3	Wednesday, 31.10.2022	✓	✓	✓	-*	-*	-*	-*
4	Friday, 20.01.2023	✓	✓	-*	✓	-*	-*	-*

\*State Heads were granted leave of absence. Therefore, they were not present in the ICC Committee meeting held on 29.04.2022, 28.07.2022, 31.10.2022 and 20.01.2023.

\*Dr Rajeshwari Narendran was granted leave of absence. Therefore, she was not present in the ICC Committee meeting held on 31.10.2022.

\* Vrunda Rawal was granted leave of absence for the meeting dated 20.01.2023.

**NUMBER OF MEETINGS OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC):** During the year under review, Members of the Corporate Social Responsibility Committee (CSRC) of the Company met 01 (One) time. The names of the members of the Committee, their attendance at the Corporate Social Responsibility Committee Meetings is as under:

Sr No	Day & Date of Meeting	Rakesh Kumar	Aviral Saini	Deepak Amin
1	Tuesday, 24.05.2022	✓	✓	✓

**NUMBER OF MEETINGS OF THE ASSET LIABILITY COMMITTEE (ALCO):** During the year under review, Members of the Asset Liability Committee (ALCO) of the Company met 04 (Four) times. The names of the members of the Committee, their attendance at the Asset Liability Committee Meetings is as under:

Sr No	Day & Date of Meeting	Rakesh Kumar [CEO]	Aviral Saini [CFO]	Deepak Amin [MD]	Madhavi Gajjar [CS]
1	Thursday, 30.06.2022	✓	✓	✓	-*
2	Thursday, 30.09.2022	✓	✓	✓	-*
3	Saturday, 31.12.2022	✓	✓	✓	-*
4	Friday, 31.03.2023	✓	✓	✓	-*

\* Due to pre-occupancy, the Company Secretary was granted leave of absence. Therefore, Madhavi Gajjar was not present in all the Asset Liability Committee meeting.

**NUMBER OF MEETINGS OF THE EXTRA-ORDINARY GENERAL MEETING [EGM]S:** During the year under review, Members of the Extra-Ordinary General Meeting (EGM) of the Company met 02 (Two) times:

Sr. No	Day and Date of EGM
1	Tuesday, 07.06.2022
2	Saturday, 20.08.2022
3	Friday, 26.08.2022
4	Monday, 19.09.2022

**NUMBER OF MEETINGS OF THE IT STRATEGY COMMITTEE (ITST):** During the year under review, Members of the IT Strategy Committee (ITST) of the Company met 03 (Three) times. The names of the members of the Committee, their attendance at the IT Strategy Committee Meetings is as under:

Sr No	Day and Date of Meeting	Rakesh Kumar	Aviral Saini	Deepak Amin	Satish Dhupdale	Aditya Bhandari
1	Tuesday, 24.05.2022	✓	✓	✓	✓	-*
2	Thursday, 25.08.2022	✓	✓	✓	✓	-*
3	Friday, 10.02.2023	✓	✓	✓	✓	-*

\* Mr Aditya Bhandari was appointed as Member of the IT Strategy Committee of the Company, vide Board Meeting held on 10th February 2023.

### C) BOARD AGENDA

The notices of Board Meetings are given well in advance to all the Directors. The Board members are provided agendas required out the business to be transacted at the Meeting, with well-structured and comprehensive notes on agenda, to enable them to take informed decisions. Agenda papers are circulated atleast seven days prior to the date of the Meeting. Additional/ supplementary items are taken up with the permission of Chair and requisite consent of the Directors. Where it is not practicable to attach any document to the agenda, the same is circulated in the Meeting/ placed before the Meeting.

### D) COMMITTEES OF THE BOARD

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013 and also in consonance with the RBI Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 [RBI/2014-15/632 DNBR (PD) CC No.040/03.01.001/2014-15] dated June 03, 2015, the following committees were in operation as on March 31, 2023:

Sr No	Name of Committee
1	Audit Committee
2	Nomination and remuneration committee
3	Risk Management Committee
4	Corporate Social Responsibility Committee
5	Asset & Liability Management Committee
6	IT Strategy Committee

## E) RELATED PARTY TRANSACTIONS

In terms of Section 188(1) of the Companies Act, 2013, all related party transactions entered into by the Company during FY 2022-23 were duly approved by the Audit Committee and the Board of Directors. The transactions with the Related Parties are on arm's length basis and in the ordinary course of business of the Company and do not have any potential conflict with the interests of the Company at large. The policy on dealing with Related Party Transactions is disclosed on the Company' website at <https://www.lightmicrofinance.com/compliance.html>

During the year ended 31st March 2023, the Company has not entered into any related party transactions under Section 188 of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required. However, the disclosures of transactions with related party for the financial year, as per Accounting Standard – 18 Related Party Disclosures is given in Note. No 21 (H) to the Balance Sheet as on March 31st, 2023.

## F) DEBENTURES

Company has issued Non-Convertible Debentures through private placement during the year

Sr No	No of NCD	No of Allottees	Date of Board of Directors Approval	Date of Members Approval	Date of Allotment
1	160	1	24.05.2022	07.06.2022	26.09.2022
2	24456	2	24.05.2022	07.06.2022	24.11.2022
3	320	1	24.05.2022	07.06.2022	12.12.2022
4	2500	2	24.05.2022	07.06.2022	28.03.2023

The details of debenture trustee for all the above mentioned Non-Convertible debentures issued by the Company during FY 2022-23 is as under:

<b>Name of Debenture trustee</b>	BEACON TRUSTEESHIP LIMITED
<b>Registered office</b>	4 C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East) Mumbai – 400 051
<b>CIN</b>	U74999MH2015PLC271288

<b>Name of Debenture trustee</b>	Catalyst Trusteeship Limited
<b>Registered office</b>	Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India
<b>CIN</b>	U74999PN1997PLC110262

### **G) REDEMPTION DURING THE FINANCIAL YEAR 2022-23:**

During the year company has redeemed Non-Convertible Debentures [NCD] as per below table

<b>Number of NCD</b>	<b>Name of Holder</b>	<b>Date of Redemption</b>
3572	Northern Arc Capital Limited and Aviator Global Investment Fund	30.09.2022
150	Northern Arc Capital Limited and Aviator Global Investment Fund	30.09.2022

### **H) REGISTRAR AND TRANSFER AGENT:**

All activities in relation to electronic transfer facility with respect to Non-Convertible Debentures (NCDs) are maintained by our Registrar & Transfer Agent (RTA) i.e. Link Intime India Private limited having SEBI Registration No. INR000004058.

# ANNEXURE B

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31/03/2023**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN	U67120DL1994PTC216764
ii	Registration Date	20/09/1994
iii	Name of the Company	LIGHT MICROFINANCE PRIVATE LIMITED
iv	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v	Address of the Registered office and contact details	308 Aggarwal Tower, Plot No.2 Sector - 5, Dwarka New Delhi – 110075 Contact No.: 079-40050059. Email:info@lightfinance.com
vi	Whether listed company	NO

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Microfinance Loans for income generation activity	64990	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name & Address of the company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity and preference Share Capital Breakup as percentage of Total Equity and preference share capital of the Company)**

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) India									
a) Individual/ HUF	1,28,99,999	-	1,28,99,999	28.12%	1,28,99,999	-	1,28,99,999	16.79 %	(11.33%)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>1,28,99,999</b>	<b>-</b>	<b>1,28,99,999</b>	<b>28.12%</b>	<b>1,28,99,999</b>	<b>-</b>	<b>1,28,99,999</b>	<b>16.79%</b>	<b>11.3%</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,28,99,999</b>	<b>-</b>	<b>1,28,99,999</b>	<b>28.12%</b>	<b>1,28,99,999</b>	<b>-</b>	<b>1,28,99,999</b>	<b>16.79%</b>	<b>(11.33%)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2 Non-Institutions</b>									
a) Bodies Corp									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	2,63,59,308	2,63,59,308	57.47%	2,43,70,056	3,29,48,961	5,73,19,017	74.59%	17.12%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	66,18,065	66,18,065	14.42%	-	66,18,065	66,18,065	8.61%	(5.81%)
c) Others(specify)	-	3,29,77,373	3,29,77,373	71.89%	2,43,70,056	3,95,67,026	6,39,37,082	83.21%	11.32%
<b>Sub-total (B)(2):-</b>	-	3,29,77,373	3,29,77,373	71.89%	2,43,70,056	3,95,67,026	6,39,37,082	83.21%	11.32%
<b>Total Public Shareholding(B)= (B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	4,58,77,372	4,58,77,372	100%	3,72,70,055	3,95,67,026	6,39,37,082	100%	-

## (ii) Shareholding of Promoters:

Name	Shareholding as at April 01, 2022		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2023	
	No. of Shares	% of shares	Date	No. of shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
Deepak Amin	1,28,99,999	28.12%	NIL	NIL	NIL	NIL	NIL	1,28,99,999	16.79% *

\* The Decrease in stake is due to issuance of Compulsorily convertible preference share.



**(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) [For each of the Top 10 Shareholders]:**

Name	Shareholding as at April 01, 2022		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2023	
	No. of Shares	% of shares	Date	No. of shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
NMI Fund IV KS	82,46,846	17.98%	20.9.2022	99,85,780	Allotment of CCPS (Series B)	1,82,32,626	23.74%	1,82,32,626	23.74%
Pettelaar Effectenbewa arbedrijf N.V	62,85,897	13.71%	20.9.2022	68,25,723	Allotment of CCPS (Series B)	1,31,11,620	17.06%	1,31,11,620	17.06%
British International Investment PLC	Nil	Nil	20.9.2022	1,16,28,009	Allotment of CCPS (Series B)	1,16,29,009	15.13%	1,16,29,009	15.13%
				10	Allotment of Equity Shares				
agRIF Cooperatief U.A.	62,94,630	13.72%	20.9.2022	25,19,197	Allotment of CCPS (Series B)	88,13,827	11.48%	88,13,827	11.48%
Kaushik Amin	58,88,065	12.83%	NIL	NIL	NIL	58,88,065	12.83%	58,88,065	07.66%
VARK NAL Holdings Inc.	5,531,935	12.06%	NIL	NIL	NIL	5,531,935	12.06%	5,531,935	07.20%
Geeta Amin	7,30,000	1.59%	NIL	NIL	NIL	7,30,000	1.59%	7,30,000	0.95%

**(iv) Shareholding of Directors and Key Managerial Personnel:**

Name	Shareholding as at April 01, 2022		Datewise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2023	
	No. of Shares	% of shares	Date	No. of Shares	Reason	No. of Shares	% of Shares	No. of Shares	% of Shares
Deepak Amin	1,28,99,999	28.12%	-	-	-	1,28,99,999	16.79% *	1,28,99,999	16.79% *
Rakesh Kumar	-	-	-	-	-	-	-	-	-
Aviral Saini	-	-	-	-	-	-	-	-	-
Anuj Kumar	-	-	-	-	-	-	-	-	-
Chandan Sinha	-	-	-	-	-	-	-	-	-
Parveen Kumar Gupta*	-	-	-	-	-	-	-	-	-
Aditya Bhandari***	-	-	-	-	-	-	-	-	-
Thomas Klungsøyr***	-	-	-	-	-	-	-	-	-
Madhavi Gajjar	-	-	-	-	-	-	-	-	-

\*The Decrease in stake is due to issuance of Compulsorily convertible preference share.

\*\* Mr Parveen Kumar Gupta has been appointed as Additional Independent Director w.e.f. 11th February 2022 and he resigned from the office of Independent Director w.e.f. 7th June 2023.

\*\*\*Mr Aditya Bhandari and Mr. Thomas Klungsøyr were appointed as an Nominee Director w.e.f. 02nd September 2022.

**(v) INDEBTEDNESS :**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amt in Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	80,404.35	4,249.99	-	<b>84,654.33</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	484.09	7.99	-	<b>492.08</b>
iv) Short term borrowing	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>80,888.43</b>	<b>4,257.98</b>	-	<b>85,146.41</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,01,822.21	-	-	<b>1,01,822.21</b>
• Reduction	53,937.96	1,265.20	-	<b>55,203.16</b>
• Reduction in short-term borrowing				
• Interest Accrued due but not paid	259.48	-0.61	-	<b>258.87</b>
• <b>Net Change</b>	<b>48,143.73</b>	<b>-1,265.81</b>	-	<b>46,877.92</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,28,288.59	2,984.79	-	<b>1,31,273.38</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	743.57	7.38	-	<b>750.95</b>
iv) Short term borrowing	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,29,032.16</b>	<b>2,992.17</b>	-	<b>1,32,024.33</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL***A) Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Name of MD/WTD/Manager : Mr. Deepak Amin [ Managing Director]				
Sr. No.	Particulars of Remuneration	Bifurcation	Total Amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,83,00000	1,83,00000	
2.	Stock Option	N.A.	N.A.	
3.	Sweat Equity	N.A.	N.A.	
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	
5.	Others, please specify	N.A.	N.A.	
	Total (A)	1,83,00000	1,83,00000	
	Ceiling as per the Act	N.A.	N.A.	

B) Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Chandan Sinha	P.K. Gupta	Anuj Kumar (Independent Director)	Rakesh Kumar (Executive Director /CEO)	Aviral Saini (Executive Director/CFO)	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	2,90,000	3,15,000	1,45,000	0	0	7,50,000
2	Total (1)	2,90,000	3,15,000	1,45,000	0	0	7,50,000
3	Other Non-Executive Directors • Fee for attending board/ committee meetings • Commission • Salary	0	0	0	0	0	0
4	Total (2)	0	0	0	0	0	0
5	Total (B)=(1+2)	2,90,000	3,15,000	1,45,000	0	0	7,50,000
6	Executive Directors Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961.	0	0	0	1,64,50,000	1,37,00,000	3,01,50,000
7	Stock Option	0	0	0	0	0	0
8	Sweat Equity	0	0	0	0	0	0
9	Commission - as % of profit - others, specify	0	0	0	0	0	0
10	Others, please specify	0	0	0	0	0	0
	Total	0	0		1,64,50,000	1,37,00,000	3,01,50,000
11	Total Managerial Remuneration	2,90,000	3,15,000	1,45,000	1,64,50,000	1,37,00,000	3,09,00,000

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

S No.	Particulars of Remuneration	(Amounts in Rs.)	
		<b>Madhavi Gajjar (Company Secretary &amp; Compliance Officer)</b>	<b>Total Amount</b>
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	893000	893000
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify	0	0
Total		893000	893000
6	Total Managerial Remuneration	893000	893000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board,  
For LIGHT MICROFINANCE PRIVATE LIMITED

DEEPAK AMIN  
MANAGING DIRECTOR  
DIN: 01289453

RAKESH KUMAR  
CEO & EXECUTIVE DIRECTOR  
DIN: 03430670

Date: - \_\_\_\_\_, 2023

Place:- Ahmedabad

# ANNEXURE C

## CSR Report

Corporate Social Responsibility (CSR) initiative aims at having a long-term sustainable impact on the community. The CSR Policy of the Company has been designed keeping in view the company's business vision, its CSR vision and long-term social objectives that the company wants to achieve. The CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism and it also provides an overview of the projects or programs that could be undertaken by the Company from time to time.

The Corporate Social Responsibility policy of the company covers the regulatory requirements.

### 2. Composition of CSR Committee:

Sr No.	Name of Director	Designation in the Committee /Nature of Directorship in Company	Number of meetings of CSR Committee held during the Year	Number of Meeting of CSR Committee attended during the Year
1	Deepak Amin	Member	1	1
2	Rakesh Kumar	Member	1	1
3	Aviral Saini	Member	1	1

*The meeting was held on May 24, 2022.*

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

**<https://www.lightfinance.com/compliance.html>**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

**Not Applicable for the financial year under review**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

**Not Applicable for the financial year under review**

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set-off for the financial year, in any (in Rs.)
NIL			

6. Average net profit of the Company as per section 135(5): **Rs 9,17,69,097**

7.(a) Two percentage of average net profit of the Company as per section 135(5):  
**Rs. 18,35,382**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs 18,35,382**

8.(a) CSR amount spent or unspent for the financial year 2021-22 in FY 2022-23:

**Rs. 18,35,382. There was no amount unspent.**

(b) Details of CSR amount spent against ongoing projects for the financial year:

**Not Applicable as there is no ongoing project.**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No	Name of Project	Item from the list of activities in schedule VII to the Companies Act, 2013.	Local area (Yes/No)	Location of the project State (District)	Amount spent for the project (Amt Rs. In Lakhs)	Mode of implementation on Direct (Yes/No)	Mode of implementation – Through implementing agency. NAME (CSR Reg No)
1	Ek Hi Iccha, Sabko Shiksha	ii	Yes	Gujarat (Dahod)	Rs 18,36,000	No	AWAG (CSR00000709)
2	Nirog	iv	Yes	Gujarat (Dahod)		No	AWAG (CSR00000709)
3	Aapka Bhagya, Aapke Haath	iii	Yes	Gujarat (Ahmedabad)		No	AWAG (CSR00000709)
<b>Total</b>					<b>Rs 18,36,000</b>		

(d) Amount Spent in Administrative overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs 18,36,000**

(g) Excess amount for set off, if any: **NIL**

Sr No	Particular	Amount (in Rs)
1	Two percent of average net profit of the company as per section 135(5)	Rs 18,35,382/-
2	Total amount spent for the Financial Year	Rs 18,36,000/-
3	Excess amount spent for the financial year [(ii)-(i)]	Rs 618/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project- Completed/ ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s)

**Not applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset

**Not applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

**Not applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

**Not applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)-

**Not applicable as the company has spent full amount of CSR as per the regulatory requirement.**

**FOR AND ON BEHALF OF  
LIGHT MICROFINANCE PRIVATE LIMITED**

\_\_\_\_\_  
**MR. DEEPAK AMIN  
PROMOTER & MANAGING DIRECTOR**

\_\_\_\_\_  
**MR. RAKESH KUMAR  
CEO AND EXECUTIVE DIRECTOR**

# CSR at a glance



## Ek Hi Iccha, Sabko Shiksha

- Stationery kits & Literature on sexual literacy distributed to 5000 kids
- Sessions on good touch, bad touch



## Nirog

- 2238 kids and 909 adult eyes were screened.
- 1504 received spectacles
- 3147 received medicines



## Aapka Bhagya, Aapke Haath

- 40 women were provided sewing machines to earn a living.
- The beneficiaries were from urban slums.

## Vision

*A society where everyone has access to basic necessities, equal opportunities and dignified life, regardless of their socio-economic background.*



# Our Social Vehicles

In FY23, Light was able to reach out to over 5,000 people across 10 villages in Dahod and Ahmedabad through three programmes – Ek Hi Iccha, Sabko Siksha, Nirog and Aapka Bhagya, Aapke Haath.

School/Location	No. of Beneficiaries		
	Ek Hi Iccha, Sabko Shiksha	Nirog	Aapka Bhagya, Aapke Haath
Mangala Dabhi na Muvada Prathmik Shala, Borivai	287	160	-
Sarvodaya Madhyamik Vidyalaya, Borivai	259	107	-
Borivai Parthmik Shala, Borivai	498	343	-
Nava Mehlana Prathmik Vidyalaya, Nava Mehlana	416	332	-
Sajivav Prathmik Shala, Sajivav	463	325	-
Shree SV Khant High School, Khojalvasa	577	407	-
Karath Prathmik Shala, Karath	988	590	-
Dageriya Prathmik Shala, Mirakhedi	537	360	-
Jafarpura Prathmik Shala, Jafarpura	439	249	-
Jafarpura Jhaabvarg Prathmik Shala, Jafarpura	536	274	-
Ahmedabad	-	-	40
<b>TOTAL</b>	<b>5000</b>	<b>3147</b>	<b>40</b>

## Mission

*To promote sustainable development and empower communities through education, healthcare, sanitation, gender equality, environmental sustainability and natural disaster relief.*

# Ek Hi Iccha, Sabko Shiksha

Ek Hi Iccha, Sabko Siksha (One Wish, Education for All) is designed as a comprehensive program to provide academic assistance to disadvantaged children to complete their studies. It is woven around a central belief that is integral to our philosophy: that education is essential to elevate a society to a higher plane. We are trying to spread education to every nook and corner of India to reach that goal.

While working on our social commitments in Dahod, we realized that lack of stationery, primarily papers to write on, was the biggest hurdle for children. Distribution of stationery was a major part of the program. The supply of pens, pencils, papers, and other educational items motivated youngsters to study and encouraged students to work towards a better life. We worked with 10 government schools in rural Dahod and distributed 5,000 stationery kits comprising notebooks, pencils, pens, rubbers, sharpeners, and a book on good touch and bad touch to school children and village children.



# Nirog

Health is integral to the overall development of a society. Our healthcare initiative, Nirog, or "free of diseases," is designed to improve the health and well-being of people in both rural and urban India. It aims to provide access to healthcare services and offer support to individuals who are largely deprived of basic healthcare needs.

In this financial year, our focus was on preventive healthcare. We decided to begin with eyes, as they are one of the most vital organs. Eye checkup camps were held at government schools, with permission from the school principals. School children, along with people from the community, were screened for various eye conditions. The beneficiaries were also provided with spectacles and medicines, so that with timely intervention, they could continue to see the world with their own eyes. Light was able to help around 3,000 kids and adults.



# Aapka Bhagya, Aapke Haath

Light set out on its journey with the single objective of social and economic development in India through women empowerment. We upheld this vision at every step. While framing our CSR policy, we ensured that all our initiatives culminate into our ultimate destination. Thus, Aapka Bhagya, Aapke Haath (Your Fortune in Your Hands) was devised. The program is designed to provide assistance to women by helping them achieve financial independence and self-reliance.

The program was named Aapka Bhagya, Aapke Haath to reflect our philosophy of empowering women to take control of their own destiny. By providing women with the resources and support they need to succeed, the program aims to create a more inclusive and equitable society, where women have equal access to opportunities and are empowered to achieve their full potential. We see the program as a critical step towards empowering women and promoting gender equality in India. The program is focused on women who are victims of domestic violence or are from slums in urban and rural India. We believe that providing women with financial independence is a significant step towards creating a more prosperous and equitable society for all. This year, 40 women beneficiaries were part of the program, who were given motorized sewing machines so that they could become economically independent.



# ANNEXURE D

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**LIGHT MICROFINANCE PRIVATE LIMITED**  
308 Aggarwal Tower,  
Plot No. 2 Sector – 5,  
Dwarka, New Delhi-110075, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. LIGHT MICROFINANCE PRIVATE LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Uniform Listing Agreement entered into by the Company with Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualification: NIL

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1932

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Date: 22/07/2023**

**Place: Ahmedabad**

**For Paliwal & Co.**

**Alpesh Paliwal**

**Proprietor**

**COP: 12119**

**UCN: I2013GJ1046200**

**Peer Review Registration Number: 1686/2022**

**UDIN: A032500E000662613**

To,

The Members,

**LIGHT MICROFINANCE PRIVATE LIMITED**

308 Aggarwal Tower,

Plot No. 2 Sector – 5,

Dwarka, New Delhi-110075, India

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 22/07/2023**

**Place: Ahmedabad**

**For Paliwal & Co.  
Company Secretaries**

\_\_\_\_\_  
**Alpesh Paliwal  
Proprietor**

**COP: 12119**

**UCN: I2013GJ1046200**

**Peer Review Registration Number: 1686/2022**

**UDIN: A032500E000662613**

# ANNEXURE E

## Key Points of MDAR

*Lighting lives, Shaping futures, One loan at a time*

The Enduring Advancement of Microfinance: Sector Evaluation and Economic Analysis.

### I. Indian economy:

- The Indian economy continued its growth trajectory in FY 2022-23 with GDP growth forecast to be around 7%. India remains the fastest growing major economy in the world. The growth was broad-based across sectors, with agriculture, manufacturing and services all showing steady expansion.
- Inflation remained within the Reserve Bank of India's target range of 2-6% for most of the fiscal year. The government kept the fiscal deficit under control at the budgeted target of 3.3% of GDP. Tax collections showed robust growth, providing the government revenue boost. The government continued its focus on financial inclusion, digitalization, and programs for farmers and the rural poor.
- India moved up in the World Bank's Ease of Doing Business rankings, reflecting government efforts to simplify regulations and procedures. Foreign direct investment inflows hit new peaks, as India attracted investments in diverse sectors like digital payments, ecommerce, and renewable energy.
- There were certain risks to the economy arising from high oil prices, trade tensions, and slowing global growth after the pandemic. However, sound macroeconomic fundamentals, improving infrastructure, and robust demand position India well for continued solid growth in the coming fiscal year. Overall, India remains in a strong position as an engine of global economic growth with immense opportunities for investment.
- The banking sector displayed signs of revival with lower non-performing assets, higher credit growth and improved profitability across major public and private sector banks. In the non-banking sector, insurance and fintech companies experienced decent growth. India's digital payments system grew rapidly, as digital transactions surged. India has emerged as a leader in digital financial innovation with new applications for mobile payments, micro-loans, and online insurance. The stock market surged, as investors cheered the government's reforms and the prospect for continued growth.
- Overall, India remained one of the world's fastest growing economies, driven by structural reforms, digitization, and favorable demographics. The banking and non-banking sectors have strengthened, reducing risks, and ensuring continued access to financing for investment in India's future high-growth sectors. India remains uniquely positioned as an attractive long-term investment destination.

### II. Indian Market Trends in Financial Services:

- Technological Advancements: The adoption of digital platforms, mobile banking, and innovative payment solutions has accelerated financial inclusion by enabling efficient delivery of financial services to remote areas. Fintech startups and mobile money providers have emerged as key players, leveraging technology to reach previously inaccessible populations.
- Sustainable Finance: There has been a growing focus on sustainable and impact investing within the microfinance industry. Investors are increasingly interested in supporting MFIs that prioritize environmental and social objectives alongside financial returns. This trend has resulted in the development of microfinance products tailored to sectors such as agriculture and healthcare.
- Integration of Financial Services: The integration of microfinance with other financial services, such as insurance, savings, and remittances, has gained traction. This approach aims to offer a comprehensive suite of financial products to micro-entrepreneurs and low-income individuals, promoting financial resilience and risk mitigation.
- Regulatory Reforms: Governments and regulatory authorities have recognized the significance of the microfinance industry in driving economic growth and poverty alleviation. As a result, they have



implemented supportive regulatory frameworks that facilitate the expansion of microfinance institutions while ensuring consumer protection and fair lending practices.

### III. Microfinance Industry: A Broad Perspective

- Introduction: The year 2023 has witnessed significant developments in the microfinance industry, highlighting its growing importance in fostering financial inclusion and empowering individuals and small businesses. This report aims to provide a comprehensive overview of the microfinance industry, its current landscape, and the key trends and challenges that have shaped its trajectory in 2023.
- Industry Overview: The microfinance industry continues to play a crucial role in addressing the financial needs of the unbanked and underserved population across the globe. In 2023, the industry experienced steady growth, supported by advancements in technology, regulatory reforms, and increased awareness of the social and economic impact of microfinance institutions (MFIs).
- According to the 45th issue of MFIN on the Microfinance Universe, the industry's portfolio reached INR 3,484 bn as of March 2023, compared to INR 2,854 bn in March 2022, demonstrating a year-on-year growth of 22% (compared to 10% growth in the previous year). The total number of active loan accounts stood at 13.0 crore, serving 6.6 crore unique borrowers as of March 2023. In a shift from the previous fiscal year, where banks held the largest share of the micro-credit portfolio at 40.0%, NBFC-MFIs have taken the lead this year, accounting for 39.7% of the total industry portfolio. Banks follow closely with a 34.2% share of the micro-credit universe. During the current fiscal year, the industry disbursed a total loan amount of INR 1,640 bn. In terms of portfolio quality, the industry reported a PAR>30 (Portfolio At Risk for over 30 days) rate of 10.5%, PAR>60 rate of 10.1%, PAR>90 rate of 9.5%, and PAR>180 rate of 8.6% compared to last year's Industry PAR>30, PAR>60, PAR>90 and PAR>180 being at 13.9%, 11.5%, 10.49% and 8.3% respectively.
- Emphasizing on NBFC-MFI sector in particular, the balance sheet portfolio was INR 1,383 bn (Y-O-Y growth of 37%), spread across 717 districts of 35 states and UT. Overall health of portfolio has improved on a YoY basis as reflected by PAR >30 of 8.3% as on 31 March 2023, in comparison to 10.1% as on 31 March 2022. PAR>90 and PAR>180 stood at 7.7% (P.Y.-8.4%) and 6.8% (P.Y.-7.4%) respectively.

### IV. Comparative Analysis: Company Performance within the Industry

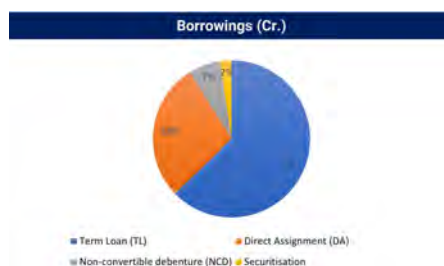
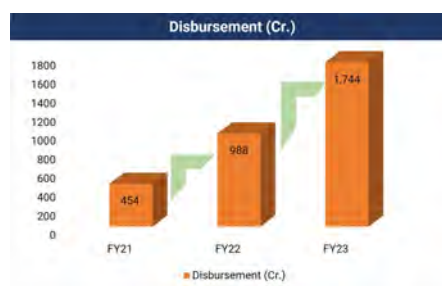
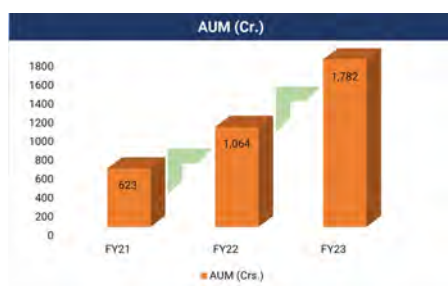
#### Illuminating Progress FY22-23

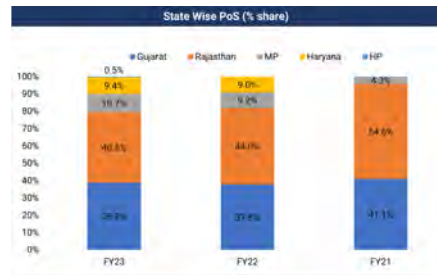
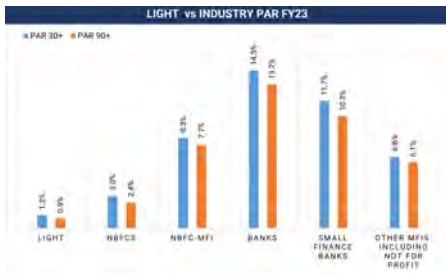
- In FY23, the NBFC-MFI sector witnessed a commendable growth of 38% year-on-year. Within this landscape, your company stood out by continuing its remarkable growth in its assets under management (AUM), expanding by an impressive 68%. The AUM reached an impressive value of INR 1,782 Cr. (compared to the previous year's INR 1,063 Cr.). Moreover, the company's disbursements displayed a substantial year-on-year growth of 77%, totalling INR 1,744 Cr. in FY23, surpassing the significant milestone of 1,000 Cr. in a single fiscal year disbursement (as compared to the previous year's INR 988 Cr.).
- One of the key indicators of your company's success is its exceptional portfolio delinquency rate. The company reported PAR>30 at 1.2% and PAR>90 at an impressive 0.9%, significantly lower than the industry (NBFC-MFI) average of PAR>30 at 8.3% and PAR>90 at 7.7% (Source: MFIN). Furthermore, the collection efficiency for Mar'23 stood at an improved rate of 98.5%, showcasing an improvement from Mar'22's 96.1%.
- In FY23, your company's Capital to Risk-Weighted Assets Ratio (CRAR) stood at an impressive 21.2%.
- Light's influx of INR 1,482 Cr funds in FY23 continued to strengthen the company's financial position and provide valuable resources for future endeavors. Furthermore, your company achieved an outstanding growth in profit after tax, demonstrating a remarkable increase of 392% compared to the previous fiscal year. The profit after tax for the current fiscal year amounted to INR 26.68 Cr.
- CARE has upgraded the company to BBB+ Stable Credit Rating, further reinforcing your company's robust financial position and industry reputation.

- Your company's growth can be attributed to its continuous and long-term investments in motivated employees, customer-centric products, unique credit underwriting practices, and extensive technological interventions. These factors have contributed to the company's solidification as a trusted microfinance institution, effectively deploying financial services to underserved segments of society year after year.
- Operational statistics reflects that your company achieved significant operational growth and expansion. The company successfully entered a new state, Himachal Pradesh, and opened 32 new branches, bringing the total branch network to 149. These branches are spread across 84 districts in five states: Gujarat, Rajasthan, Madhya Pradesh, Haryana, and Himachal Pradesh. The customer base expanded from 3.07 Lakhs to 3.89 Lakhs, demonstrating increased market penetration. Company also increased its loan officer count to 1,638, while the total employee strength reached 2,512, reflecting the company's commitment to scaling its operations and serving a larger clientele.
- Company also adopted Ind AS in the FY23.

#### V. Compliance with RBI Guidelines: Upholding Regulatory Standards:

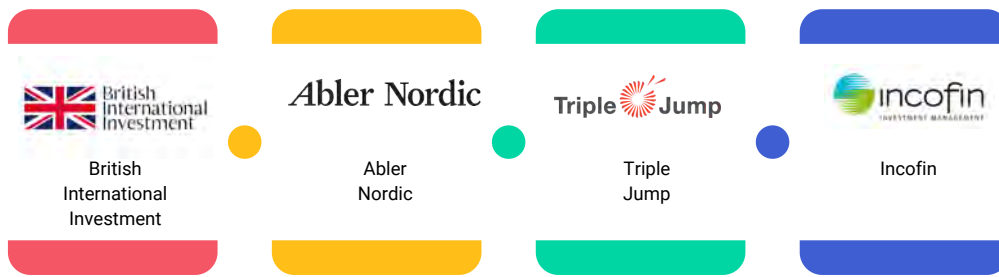
- In line with RBI notification dated April-2022, the revised guidelines introduce a unified household income limit of Rs 300,000 for microfinance loans, eliminating the previous rural-urban distinction. Additionally, entities seeking NBFC-MFI licenses must have a minimum of 75% of their assets allocated to microfinance. The guidelines bring a level playing field for NBFC-MFIs allowing the board to set credit risk pricing policies accordingly. Additionally, the increase in the household income threshold to INR 300,000 expands the potential market for MFI players. These changes are expected to strengthen the microfinance sector and enhance its ability to serve a broader customer base.
- NBFCs are now required to implement board-approved policies for assessing household income, ensuring transparency and accuracy in determining borrowers' repayment capacity. Additionally, NBFCs must submit household income information to Credit Information Companies (CICs) for better monitoring and compliance. The RBI has also set a limit of 50% of the monthly household income for loan repayments, including both principal and interest. Existing loans exceeding this limit will be allowed to mature, but no new loans can be provided until the limit is complied with. These changes aim to promote responsible lending practices and protect borrowers from excessive loan burdens. Light has remained committed to adhering to these regulations and maintaining the highest standards of financial prudence and customer well-being for many years. Incorporating these practices since its inception, your company has consistently ensured compliance with the Reserve Bank of India (RBI) guidelines for credit checks. By following these guidelines meticulously, Light has been able to accurately assess the creditworthiness of its customers while upholding transparency and prudence in its lending practices.





### Capital Raise:

- Your company has successfully closed its Series B funding round, raising INR 196 crore. This comes just over a year after its earlier Series A funding, where it raised INR 75 crore. The funding round saw participation from British International Investment (Erstwhile CDC), along with existing investors Incofin Investment Management, Abler Nordic, and Triple Jump. The significant investment will be utilized for geographical expansion into new states, diversifying the company's product lines, and further investments in technology and digital initiatives. This funding represents a major milestone for the company, showcasing its impressive growth during these challenging times. It serves as a testament to the company's resilience and success in navigating through the circumstances.



### IT Strengthening:

- During the fiscal year 2021-2022, the company successfully implemented various technology initiatives, laying the foundation for continued growth and operational enhancements. In the subsequent fiscal year of 2022-2023, the company has made notable progress and achieved significant milestones. Here is an overview of the key initiatives and their status:

#### Technology Integration and Automation

- Tele-calling Software
- HRMS
- Asset Management Software

#### Customer-Centric Digital Solutions

- LightMoney



#### Enhanced Analytics and Reporting

- LASer
- Underwriting Algo

#### IT and Security

- Cyber Security

### Digital Impact

## Technology Integration and Automation:

- **Tele calling Software:** The implementation of the tele calling software solution, initiated in FY21-22, has proven to be an asset for the company. In FY22-23, the company reached an advanced stage in its deployment, with the software being actively utilized and has now become fully functional across the organization. This software enables efficient handling of calls and customer support interactions, as it records all lines of communication and is accessible through various channels. All departments within the company have integrated this software into their operations, ensuring seamless communication and enhanced customer service.
- **HRMS:** In the current fiscal year, FY22-23, the company successfully completed the rollout of Zing HR across the organization. The HRMS system has been fully automated, covering the entire employee lifecycle from onboarding to the exit process. This automation has streamlined HR processes, resulting in increased efficiency and improved employee management. The company can now effectively manage various HR functions, including recruitment, performance management, training, and offboarding, through the automated HRMS system.
- **Asset Management Software:** Asset management software that was introduced in the previous fiscal year has been successfully implemented and is now fully functional across the organization. This comprehensive software solution enables seamless management of both physical and electronic assets. With real-time tagging and geo-location features, the software provides accurate and up-to-date information on asset location and status. This enhances compliance processes by ensuring assets are properly accounted for and tracked in accordance with regulations. The Asset Management software also offers the convenience of automated depreciation calculations, reducing manual efforts and minimizing errors. This automated feature enables precise and efficient financial record-keeping, contributing to improved financial accuracy and streamlined asset management. By leveraging this fully functional software, the company has experienced enhanced asset tracking capabilities, ease of compliance processes, and a reduction in operational errors.

## Enhanced Analytics and Reporting

- **LASer:** In FY21-22, the company initiated the development of LASer (Light Analytics Service), an advanced analytics platform designed to integrate and analyze data from various sources across the organization. As of FY22-23, LASer has been successfully implemented and has completed its pilot phase across the organization. This platform provides comprehensive data analytics and reporting capabilities that enable the company to derive valuable insights from its data assets. LASer facilitates organization-wide data analysis, allowing different departments and teams to leverage data-driven decision-making. By centralizing data from sources such as the loan management system (LMS), HRMS, and accounts, LASer offers a holistic view of important business key performance indicators (KPIs). With LASer, the company can generate visual dashboards that depict crucial insights and trends, empowering management, and stakeholders with actionable information. This advanced analytics service enhances the company's ability to make informed strategic decisions, identify opportunities, and optimize operations. The successful implementation and functionality of LASer in FY22-23 demonstrates the company's commitment to harnessing the power of data analytics for driving business growth and operational excellence.
- **Underwriting Algo:** In FY21-22, the company initiated the development of a credit algorithm, leveraging advanced analytics for credit underwriting purposes. As of FY22-23, the development of the credit algorithm is underway. The company is actively working on incorporating advanced analytics techniques to improve the accuracy and efficiency of credit underwriting. This credit algo aims to enhance the underwriting process by enabling better risk assessment, automating certain aspects of underwriting, and streamlining the approval methodology. The implementation of the credit algo is anticipated to have several positive impacts. It will facilitate better underwriting decisions by leveraging data-driven insights, leading to improved risk assessment and mitigation. The automation of certain

underwriting tasks will help streamline the overall process, reducing manual efforts and increasing efficiency. This, in turn, will contribute to a more efficient approval methodology and faster turnaround time (TAT) for loan applications. Looking ahead to FY23-24, the company plans to conduct a pilot rollout of the credit algorithm in Q1. This pilot phase will allow the company to assess the effectiveness and performance of the algorithm in real-world scenarios, fine-tuning it further based on the results. The implementation of the credit algo signifies the company's commitment to leveraging upcoming technologies to optimize the credit underwriting process, resulting in improved and efficient business practices.

### Customer-Centric Digital Solutions

- **LightMoney Application:** In FY22-23, the company successfully developed and implemented the Light Money customer application's pilot phase, which will revolutionize the loan application and disbursement process going forward. This application aims to streamline the entire journey, from sourcing to disbursement, providing customers with a convenient and efficient experience. The application, still being in its initial phase currently provides Payment options through UPI/QR codes are also being explored to facilitate seamless and convenient transactions, however going forward it will enable customers to request a loan application instantly, leveraging the underwriting speed to receive instant approval. Once approved, customers can experience immediate disbursement of funds, ensuring quick access to the financial support they need. Additionally, the company implemented geo-tagging functionality, allowing for the precise location tagging of customers' home addresses. This feature enhances control and enables the company to gain a better understanding of customers' geographical distribution, leading to improved decision-making and tailored offerings. In FY23, the company made significant strides in enhancing customer transparency and empowerment. The app as of date has 67,000 downloads with 67% of monthly active users. Payment details, history, and information about the loans availed were made readily available to customers, enabling them to track their financial activities and make informed decisions. Looking forward to FY24, the company aims to further enhance the Light Money customer application and expand its functionalities. These initiatives will continue to drive customer-centricity and digital innovation within the organization. The company's continuous focus on digitization and process optimization will help in streamlining end-to-end operations for sustained growth and excellence in the microfinance industry.
- **Digitalization Drive:** Your company in FY21-22 has initiated its strategy to embrace a fully digital approach, eliminating the need for physical paperwork, and streamlining operations. These paperless initiatives are in the process of successful adoption throughout the organization in the current FY22-23, many of which have completed their pilot stage already:
  1. The EKYC process allows for electronic verification of customer identities, simplifying and expediting the onboarding process.
  2. E-signing enables the signing of agreements and contracts digitally, eliminating the need for physical signatures and facilitating efficient document management. The company has leveraged offline EKYC through Mobilight, enabling field agents to perform EKYC verification even in areas with limited or no internet connectivity.
  3. Looking ahead, the company plans to pilot QR code generation for digital receipt payments in FY23, with a target implementation in Q1 FY24. The introduction of digital receipts with digital collections.

### IT and security

- **Cyber Security:** In FY22-23, the company has continued to maintain a strong focus on cyber security. The data encryption measures implemented in the previous year remain in place, ensuring that all end points across the organization are protected against potential security breaches. By employing data encryption techniques, the company enhances its ability to protect critical data assets, both at rest and in transit. Encryption provides an additional layer of security by encoding the information, making it unreadable and inaccessible to unauthorized individuals. These measures help mitigate the risk of data breaches and unauthorized access to sensitive data, thereby safeguarding customer information and

maintaining compliance with data protection regulations.

### Internal Control & Quality:

Light has established a robust internal control system tailored to the size and complexity of its business operations. These controls are regularly monitored to ensure their effectiveness in mitigating risks. An external audit firm conducts comprehensive audits to identify any breaches and ensure compliance with statutory regulations. The Board of Directors oversees the adequacy and effectiveness of internal financial controls. In the financial year under review, the auditors have not reported any material or serious deficiencies in the control system. Your company conducts various investigations, including fraud and portfolio at risk (PAR) investigations, as well as surprise branch audits, to validate the efficiency of its internal controls.

### Internal Audit Management:

- Internal audits play a crucial role in evaluating a company's internal controls, corporate governance, and accounting processes. They ensure compliance with laws and regulations while providing risk management and protection against potential fraud, waste, or abuse.
- The internal audit plan was tailored to the company's specific risk profile and business activities. To maintain transparency and authenticity, an independent external firm was engaged to conduct the audits, ensuring an unbiased opinion. The Audit Committee, comprising experienced professionals, actively participated in approving, and periodically reviewing the audit plan to address any potential issues. This proactive approach facilitated the identification and mitigation of red flags effectively.
- Several key assignments were undertaken by the Accounts department during FY22-23, demonstrating their commitment to financial excellence:
  1. Adoption of Ind-AS: The Account department successfully transitioned from IGAAP to Ind-AS, aligning with the evolving accounting standards and ensuring accurate financial reporting.
  2. Effective Budget Management: The Account department displayed strict adherence to budgetary constraints and implemented proactive measures to control expenditures. This emphasis on financial discipline contributed to efficient budget management.
  3. Compliance and Risk Management: The Account department demonstrated diligent compliance with regulatory requirements. Additionally, it proactively identified potential risk areas and adjusted processes to effectively mitigate these risks.
  4. Timely and Accurate Financial Reporting: The Account department consistently provided timely and accurate financial reports. Furthermore, process automation was introduced to improve efficiency and enhance data accuracy in financial reporting.
  5. Successful Audit Completion: Both internal and statutory audits were successfully completed by the Account department, with no material findings. This accomplishment showcases the department's adherence to best practices and its commitment to maintaining financial transparency.
  6. These initiatives highlight the Account department's dedication to sound financial practices, compliance, and effective risk management. By maintaining the highest standards of financial reporting and internal controls, the company continues to enhance transparency, governance, and accountability.

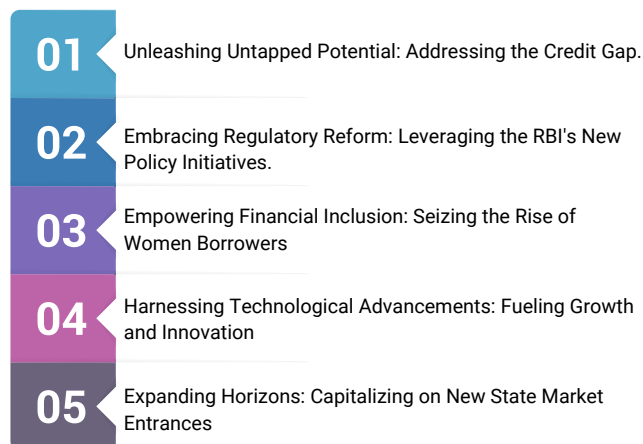
### Opportunities: Growth Drivers

- **Addressing the Credit Gap:** The microfinance industry in India has witnessed substantial growth over the past two decades while facing repeated crisis, testing its business model time and again however successfully establishing itself as the largest microfinance market globally. However, despite this achievement, the industry's current reach of 6.6 crore borrowers represents only one-third of the total market potential. Notably, while over 45% of the urban market has been penetrated, the rural market lags at a level of 25-30%. This presents a significant opportunity for sustainable growth in rural areas, driven by substantial unmet credit demands and rising aspirations.
- **Leveraging the RBI's New Policy Initiatives:** The recent microfinance guidelines, which have increased the eligible household income limit to INR 0.3 million for accessing microfinance loans, further enhance

- the growth potential in target regions. By capitalizing on this potential, the industry can continue to make substantial strides in empowering individuals and promoting economic development in the communities. In addition, the recent increase in the maximum permissible limit of non-microfinance loans for NBFC-MFIs, from 15% of net assets to 25% of total assets, presents an opportunity for product innovation. This allows NBFC-MFIs to explore new avenues for supporting customers in their transition from livelihood supporting activities to asset creation opportunities. Leveraging the vast pool of data available from credit bureaus, customer behaviour, and loan history, NBFC-MFIs can develop and offer tailored credit products that align with the evolving needs and aspirations of their customers. This enables them to provide more comprehensive financial solutions and contribute to their customers' long-term economic advancement.
- **Seizing the Rise of Women Borrowers:** The last five years have witnessed a doubling of credit access for women in India, with the loan penetration among women borrowers surging from 7% in 2017 to 14% in 2022. This significant increase, as reported by TransUnion (TU) CIBIL, is supported by a compound annual growth rate (CAGR) of 15% for women borrowers, outpacing the 11% CAGR for male borrowers. Notably, the share of women borrowers has risen from 25% in 2017 to 28% in 2022. These statistics present a compelling opportunity for NBFCs to tap into the growing demand from women seeking credit opportunities. The data from TU Cibil reveals that consumption-led credit products such as personal and consumer durable loans are gaining popularity among women borrowers. As more women enter the workforce and achieve financial independence, they are actively seeking credit to fulfil their aspirations and life goals. This trend opens avenues for your company to cater to the specific needs of women customers, leveraging their increasing participation in the economy. Furthermore, there has been a surge in the number of women entrepreneurs and startups in India, leading to a threefold increase in women seeking business loans during the same five-year period (2017 to 2022). The share of women in the overall business loan portfolio has also witnessed a significant rise of 12%, reaching 32% in 2022 compared to 20% in 2017. Additionally, there has been a notable increase of 6% in the share of women borrowers in the home loan segment. These trends underscore the potential for your company to capitalize on the growing demand for credit among women borrowers. By tailoring their products and services to cater to the unique requirements of this segment, your company can tap into this expanding market and contribute to the financial empowerment of women across the country.
- **Harnessing Technological Advancements:** Microfinance institutions and lenders operating in the informal segment are increasingly embracing technology to gain insights into customers' risk profiles and enhance collection efficiencies. By leveraging data analytics, they can develop customer personas and offer targeted products at the right time. The adoption of artificial intelligence (AI) is leading to more standardized loan processes, while the use of mobile apps in the field significantly reduces approval times. Through these apps, customers can conveniently view and manage their loans, make payments, access financial statements, and even pre-pay or foreclose loans. The implementation of emerging technologies not only enables efficient loan underwriting but also facilitates portfolio allocation and management. Fintech solutions are playing a crucial role in the digital transformation of the microfinance sector. As previously mentioned, your company aims to develop AI and machine learning-based underwriting algorithms. The company envisions a digitized ecosystem where all processes and documents are digital, and it continually strives towards achieving this goal. Initiatives such as building LASer and enabling cashless collections demonstrate the IT department's commitment to making its mark in the realm of technology.
- **Capitalizing on New State Market Entrances:** Your company's performance as one of the best asset-class microfinance institutions reflects its uninterrupted growth in both value and volume. The microfinance industry currently presents a wide range of expansion opportunities, including geographical expansion, scaling up existing operations, technological advancements, and raising funds through debt and equity. Your company is also committed to diversifying and adapting to evolving consumer needs, for which the company is determined to experiment with new products, business lines, and, most importantly, digitization. Alongside diversifying its existing portfolio, the company

remains focused on exploring new verticals and geographies to drive its growth strategy following which your company expanded to new state Himachal Pradesh in FY23 and going forward the company will expand to new states too.

## Opportunities



### Risks & Concerns:

While the microfinance industry has shown remarkable resilience, there are certain risks and concerns that need to be addressed. These include:

- **External Disruptions:** The microfinance sector is susceptible to external disruptions such as economic downturns, political instability, natural disasters, and regulatory changes. These events can impact the borrowers' ability to repay loans and disrupt the overall operations of microfinance institutions (MFIs).
- **Credit Discipline:** The increasing competition in the microfinance sector has led to the emergence of diverse lending institutions with different lending practices. This diversity can result in variations in customer behavior and credit discipline. Overleveraging, where multiple lending institutions serve the same borrowers, can lead to credit risks and potential defaults.
- **Regulatory Environment:** The microfinance industry used to operate under different regulatory guidelines, leading to varying practices among MFIs. Inconsistencies in regulations can create challenges in ensuring fair competition and consumer protection. The recent introduction of microfinance guidelines aims to address this concern by establishing a level playing field and ensuring uniform guidelines for all regulated lending entities.
- **Concentration Risk:** Concentration of the loan portfolio in specific geographic areas can pose risks for microfinance institutions. If a particular region experiences economic or political challenges, it can significantly impact the repayment capacity of borrowers and the overall financial health of the institution. Diversification of the portfolio across multiple states can help mitigate concentration risk.
- **Non-Performing Assets (NPAs):** When the NPAs of any NBFC increase, it can lead to a shortage of funds, which can affect its ability to meet its financial obligations to creditors and depositors. This, in turn, can result in a loss of confidence in the company by the market, leading to a decline in its creditworthiness and ability to raise funds. Moreover, NPAs can also impact the profitability of any company, as they result in the need to set aside provisions against the loans that have turned bad. This can reduce the company's profitability and limit its ability to lend further. Managing and minimizing NPAs is crucial for the sustainability of microfinance institutions. Your company has demonstrated effective control and regularization of NPA accounts, resulting in minimal fluctuations in provision creation compared to the previous year.
- Addressing these risks and concerns requires proactive risk management strategies, continuous monitoring of borrowers' creditworthiness, adherence to regulatory guidelines, and effective portfolio diversification. By implementing robust risk management practices, MFIs can mitigate potential risks and ensure the long-term sustainability of their operations.



### **Effective Risk Mitigation and Concern Management Strategies at Light:**

To address the risks and concerns in the microfinance industry, your company is committed to implementing proactive measures and strategies. The following outlines how your company will tackle these risks and concerns:

#### **Risk Mitigation Measures:**

- **Enhanced Risk Assessment:** Your company will strengthen its risk assessment framework by incorporating advanced data analytics and technology. This will enable more accurate identification and evaluation of potential risks, ensuring robust risk mitigation strategies. One such initiative is LASer.
- **Portfolio Diversification:** Your company will strategically expand its operations into new geographic areas to reduce concentration risk. Additionally, the company can venture into new product segments, such as secured debt and digital loans, to diversify its portfolio.
- **Contingency Planning:** Your company will develop comprehensive contingency plans to mitigate the impact of external disruptions. This includes establishing resilient business continuity measures and building a strong liquidity framework to ensure uninterrupted operations during challenging times.

#### **Strengthened Credit Discipline:**

- **Standardized Lending Practices:** Your company will implement standardized lending practices across all its operations to promote responsible lending and maintain consistent credit discipline. This includes improving to even better and digitized prudent underwriting standards and conducting regular borrower credit assessments.
- **Credit Education and Counselling:** Your company will invest in financial literacy programs and credit counselling initiatives for its borrowers. These efforts will focus on educating borrowers about the importance of timely repayments, budgeting, and financial management, fostering a culture of credit discipline.

#### **Regulatory Compliance:**

- **Adherence to Microfinance Guidelines:** Your company will strictly continue adhering to the microfinance guidelines prescribed by regulatory authorities. The company will ensure compliance with customer protection regulations, transparent interest rate policies, and other regulatory requirements to safeguard the interests of its borrowers.
- **Policy Advocacy:** Your company will continue engaging with industry associations and regulatory bodies to contribute to policy discussions. Through advocacy efforts, the company will work towards creating a favourable regulatory environment that supports the sustainable growth of the microfinance sector.

#### **Effective NPA Management:**

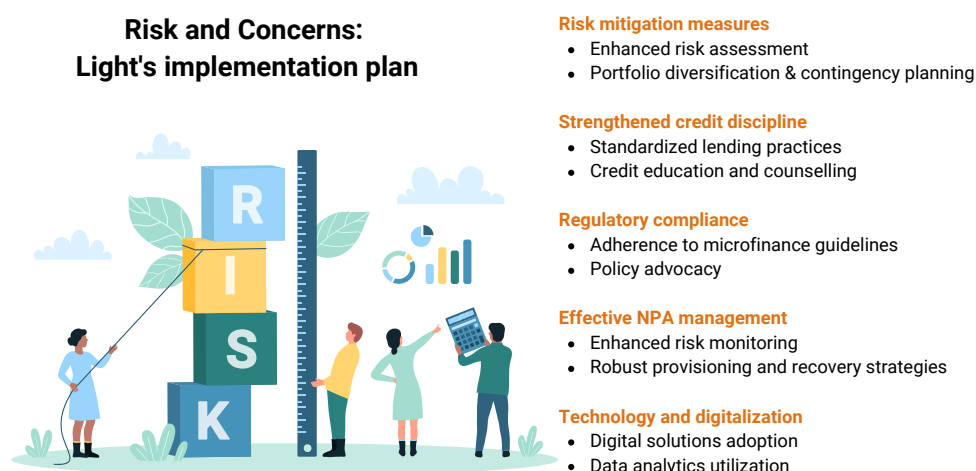
- **Enhanced Risk Monitoring:** Your company will strengthen its risk monitoring systems further to proactively identify and manage non-performing assets (NPAs). Regular assessments of borrower creditworthiness will be conducted, enabling prompt actions to minimize default rates.
- **Robust Provisioning and Recovery Strategies:** Your company has developed robust provisioning strategies aligned with regulatory norms to manage potential financial impacts. The company will also implement strong recovery mechanisms, collection processes, to maximize loan recovery and minimize losses.

#### **Technology and Digitization:**

- **Digital Solutions Adoption:** Your company is committed to leveraging technology to streamline loan processes and enhance operational efficiency. The company will invest in advanced digital solutions like Light money, including user-friendly mobile applications, to provide borrowers with convenient access to loan information, payments, and financial statements.

- **Data Analytics Utilization:** Your company will harness the power of data analytics, artificial intelligence such as LASer, and machine learning to strengthen its credit underwriting processes. This will enable more accurate risk assessment, identification of creditworthy borrowers, and customization of loan products.

By implementing these strategies, your company aims to effectively tackle risks and concerns while ensuring sustainable growth and customer satisfaction. The company's focus on risk management, credit discipline, regulatory compliance, NPA management, and technology adoption will strengthen its position in the microfinance industry, contributing to its long-term success.



### **Innovation in HR: Nurturing Employee Development and Well-being:**

At Light, its employees are the driving force behind its success. Consequently, your company is dedicated to the development, well-being, and overall growth of its workforce. The company strives to create an environment where employees can thrive, reach their full potential, and contribute to collective achievements. The initiatives implemented by your company focus on fostering a culture of continuous learning, work-life balance, and employee engagement. The following are key highlights of the company's innovative HR practices:

- **Leadership Development Program:** Your company has implemented a comprehensive leadership development program aimed at nurturing the skills and abilities of employees. Through targeted training sessions, workshops, and mentoring opportunities, the company provides employees with the necessary tools and knowledge to become effective leaders within the organization.
- **Employee Well-being Initiatives:** Your company places significant emphasis on the well-being of its employees. The company organizes various initiatives to promote physical and mental well-being. Examples include conducting blood donation camps at the head office, organizing financial planning workshops specifically for women, and coordinating clothes and toy donation drives for underprivileged communities. These initiatives not only support employees but also contribute to the betterment of society.
- **Digitization of HR Processes:** Your company has embraced technology to enhance efficiency and provide a seamless experience for employees. The company has digitized its HR processes, introducing paperless joining documents and online onboarding with face verification. Additionally, your company's online learning management system enables employees to conveniently access training resources and upskill themselves.
- **Monthly HR Awareness Topics:** Your company prioritizes employee awareness by focusing on monthly HR topics. These topics cover a wide range of areas, including professional development, health and wellness, financial planning, and personal growth. Through interactive sessions, webinars, and informative materials, the company strives to empower employees with valuable knowledge and insights.

- **Employee Engagement Activities:** Your company believes in fostering a positive and vibrant work environment. To boost employee morale and foster team spirit, the company organizes innovative and engaging activities. Examples include Fun Fridays for both head office and field employees, where they can unwind and participate in exciting team-building activities. Additionally, the Marathon Program encourages employees to prioritize their fitness and well-being.
- **Strengthened Hiring and Background Verification:** Your company has focused on attracting fresh talent to the organization, resulting in a significant increase in employee strength. As of March 2023, the company's total number of employees stands at an impressive 2,512, reflecting its commitment to growth and expansion. Furthermore, your company has implemented an enhanced eight-layer background verification process to ensure the integrity and reliability of its workforce.

These HR initiatives and practices not only demonstrate your company's commitment to employee development and well-being but also contribute to the overall growth and success of the organization. By investing in employees and creating a supportive work environment, your company empowers its team to deliver exceptional results, drive innovation, and make a meaningful impact in the lives of the communities they serve.

<b>Employee Strength</b>	<b>FY 22-23</b>	<b>FY 21-22</b>	<b>FY 20-21</b>
No. of employees	2,512	1,676	1,227
No. of Loan Officers	1,638	1,086	749

#### **Training:**

- At your company, the training function is managed by an in-house team of subject matter experts who are dedicated to enhancing the knowledge and skills of the employees. The training courses offered cover a wide range of areas including process and policy training, new joiner orientation programs, soft skills training, skill enhancement programs, HR training and technical training. Over time, your company has made significant progress in developing its vernacular training content. This includes 30 training content decks on internal processes and policies, a comprehensive assessment pool consisting of 350 unique questions for internal assessments, and a repository of motivational videos for internal use. These resources contribute to the effective delivery of training programs and ensure that employees have access to relevant and engaging learning materials.
- To further strengthen the training function, your company has organized 10 behavioral training workshops that have received positive feedback from stakeholders. These workshops provided employees with valuable insights and skills that they can apply in their day-to-day work. Additionally, your company introduced the HO-KYC (Know Your Colleagues) program, which has been well-received by department heads and employees at the head office.
- As part of the new joiner orientation program, each new employee undergoes an assessment. Only when satisfactory scores are achieved, the handover to the operations team takes place. This ensures that employees are equipped with the necessary knowledge and understanding before they commence their roles. your company prioritizes regular engagement with employees for training purposes, aiming to connect with them at least once every month. This ongoing interaction helps to address any learning needs, provide updates on training initiatives, and gather feedback to continuously improve the training programs. To enhance the competencies of the training team, your company conducts train-the-trainer programs facilitated by subject matter experts. This ensures that the trainers themselves are equipped with the necessary skills and knowledge to deliver effective training sessions.
- Looking ahead, your company has set ambitious goals for its training function. These include organizing compliance trainings, implementing internal training scorecards, providing access to digitized training content at employees' fingertips, introducing refresher training programs for existing employees, implementing assessments and gradings, and offering specialized training for subject matter experts. These milestones reflect your company's commitment to continuous learning and development, fostering a culture of growth and expertise within the organization.

## Digital Lending Vertical of Light: Empowering Unserved and Underserved Entrepreneurs

- Light is proud to present its latest vertical, the Digital Lending (DL) platform. This innovative initiative aims to bridge the financial gap for entrepreneurs residing in rural and Tier II to VI cities, who have long been excluded from accessing traditional banking services. With a focus on unserved and underserved populations, the company is determined to drive financial inclusion and empower individuals to realize their entrepreneurial dreams. Your company's foray into the digital lending space marks a transformative milestone for the company, positioning it at the forefront of technological innovation in the lending industry. This strategic move demonstrates your company's commitment to adapt to evolving customer needs, leverage emerging technologies, and create substantial growth opportunities for the company.
- Let's explore this captivating process that blends cutting-edge technology with a deep commitment to customer satisfaction.
- Targeting a wide spectrum of entrepreneurs, the DL platform primarily caters to individuals in Tier 3 to 6 regions. However, Light recognizes the importance of extending its support to unserved and underserved populations in Tier 1 and 2 cities as well. By fostering partnerships with like-minded organizations that share the vision of financial inclusion, Light can efficiently reach and serve its target audience. These partnerships span across diverse sectors, including financial services, manufacturing, agriculture, and animal husbandry, ensuring a comprehensive approach to reaching entrepreneurs in need.
- Central to Light's Digital Lending platform is its unique partnership model. The loan characteristics may differ from those of the partners' clients, this collaborative approach allows the company to expand its reach and impact. By offering loans starting as low as INR 5,000, Light can bridge the gap for borrowers who require smaller loan sizes, such as the clients of its partners. This flexibility enables Light to cater to a wide range of financial needs, inspiring retailers, and entrepreneurs to embrace the opportunity to access financial support and transition from the unorganized to the organized sector.
- Leveraging cutting-edge technology, the DL platform streamlines loan management processes. Funds are disbursed directly into the borrower's digital wallet, ensuring transparency and efficient tracking of fund utilization. Digital repayment methods, such as eAgreements and eNACH, enhance convenience for borrowers. Additionally, Light encourages daily collections in select products, instilling a disciplined repayment culture among borrowers. With repayment priority given to Light and the implementation of an escrow mechanism, the company strengthens cash flow visibility, minimizing financial uncertainties. This prioritization ensures steady and predictable cash flow, reinforcing the stability of Light's operations.
- The DL platform brings numerous advantages and opportunities for Light and its customers. By leveraging established ecosystem partners, the company can effectively identify and reach potential borrowers, reducing customer acquisition costs. Furthermore, the anchor-led lending approach, coupled with comprehensive customer analytics and partner data analysis, enables Light to mitigate risks and enhance the quality of its loan portfolio. This data-driven approach enhances decision-making and loan underwriting processes, tailoring loan offerings to the specific needs of entrepreneurs.

Light's Digital Lending initiative goes beyond business growth and financial metrics. It has a profound impact on the lives of individuals and the communities it serves. By empowering entrepreneurs with access to affordable loans, Light contributes to economic empowerment, fosters entrepreneurship, and drives overall community development. The positive impact on livelihoods and the socio-economic landscape further solidifies Light's position as a responsible and impactful financial institution.

The launch of the Digital Lending vertical propels Light into a digitally driven future, positioning it as a leading player in the lending industry. Through the utilization of technology, strategic partnerships and a customer-centric approach, Light aims to transform lives, drives financial inclusion and paves the way for sustainable growth. This digital journey reflects Light's dedication to innovation, resilience and its unwavering commitment to making a meaningful difference in the lives of unserved and underserved populations it serves.

## ESG: Social Impact and Community Engagement

**Environment and Social Policy:** Recognizing the far-reaching implications of its microfinance services, the company holds itself accountable to the highest environmental and social (E&S) standards. Upholding these principles, the company unwaveringly adheres to a series of essential requirements. These encompass strict compliance with applicable laws and regulations, proactive measures to safeguard human health and the environment, the adoption of industry-leading environmental management systems, responsible resource utilization, waste reduction, conservation of biodiversity, and extensive training programs to foster a shared sense of environmental responsibility among employees, contractors, suppliers, and customers. Transparently communicating this policy to stakeholders ensures a cohesive commitment to environmental and social sustainability.

**Environmental Consciousness:** Your company's unwavering commitment to the environment permeates every aspect of its operations. With a meticulous focus on customized product design, the company minimizes documentation requirements, allowing for streamlined and paperless processes. Furthermore, the company is actively exploring the implementation of innovative initiatives, such as E-signing or EKYC (paperless) loan documentation, significantly reducing paper consumption and embodying a profound commitment to environmental consciousness.

**Exclusion List:** To uphold its principled lending practices, your company has meticulously curated an exclusion list. This comprehensive roster ensures that the company's funds are not channelled towards activities that have adverse societal or environmental impacts. Activities such as hazardous chemical production or trade, trade in ozone-depleting substances, trafficking of endangered wildlife products, engagement in illegal activities, arms trade, unsustainable fishing methods, prostitution, gambling, tobacco-related products, and pornography are unequivocally prohibited. The company extends its commitment to responsible investing by avoiding involvement in upstream oil exploration and production, midstream oil refineries, HFO only fired power plants, and select gas activities.

**Social Impact:** Your company has an unwavering dedication to upliftment and progress. By providing microfinance loans to organized groups, with a particular emphasis on empowering women, the company fosters economic growth and social inclusion. These Individual entrepreneur loans (IEs) play a pivotal role in undertaking productive activities, thereby catalyzing socio-economic development at the grassroots level.

**Review and Reporting Mechanism:** In order to ensure the continued effectiveness of its policy, your company conducts annual reviews, meticulously evaluating its adherence to evolving laws, standards, and best practices. Through this comprehensive evaluation, the company identifies areas for improvement and implements necessary changes to uphold its commitment to responsible practices. In the event of non-compliance, corrective actions are promptly undertaken, with a keen focus on investigating the root causes and implementing preventive measures to avoid any recurrence. The company maintains meticulous records of these actions and conducts periodic assessments to gauge their effectiveness.

Reporting on environmental and social issues adheres strictly to local and national laws governing environmental standards, health regulations, and safety protocols. Your company is committed to transparently and accurately communicating its progress and impact to stakeholders, ensuring accountability, and fostering a culture of trust and responsibility.

As detailed in this annual report, your company's unwavering dedication to a high-touch, high-tech business model is poised to make a resounding impact on the environment, society, and the lives of its esteemed customers. The company was rewarded bronze level Client protection certification and BB- for social rating by MFR. Through its relentless pursuit of excellence, the company remains steadfast in its commitment to driving sustainable growth, enabling financial empowerment, and effecting positive change.

## ANNEXURE F

ESOP DISCLOSURE PURSUANT TO RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, AND THE PROVISIONS UNDER SECTION 62 OF THE COMPANIES ACT 2013 AND RULES FRAMED THERE UNDER

Particulars	Details
Options granted during the year	-
Options vested during the year	2,97,280
Options exercised during the year	-
The total no. of shares arising as a result of exercise of option	-
Options lapsed during the year	8,400
Exercise Price	<ul style="list-style-type: none"> <li>• for options granted in 2018 - Rs10.63/-</li> <li>• for options granted in 2021 - Rs 37.70/-</li> </ul>
Variation of terms of options	The Board of Director amended the "ESOP Plan 2018" in the Board Meeting held on 20th May 2021 by changing the restriction on maximum number of options that may be granted to each employee to be 10,00,000 in number per eligible employee.
Money realized by exercise of options	-
Total number of options in force	4,99,080
Key managerial personnel	
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	-
Identified employees who were granted option. during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	-

# Independent Auditor's Report

To the Members of Light Microfinance Private Limited

## Report on the Audit of the Financial Statements

### OPINION

We have audited the accompanying financial statements of Light Microfinance Private Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2023 the Statement of Profit and Loss including the statement of Other Comprehensive Income, Statement of Cash Flow and the Statement of Changes in Equity for the year than ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company (financial position) as at 31<sup>st</sup> March, 2023, its profit including other comprehensive income (financial performance), its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Act 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 audit opinion on the financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined of the matter described below to be the key audit matter to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
(a) Transition to Ind AS accounting framework (as described in Note 29 YY of the Ind AS financial statements.	
In accordance with the roadmap for implementation of Indian Accounting Standards (Ind AS) for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from 1 <sup>st</sup> April, 2022 with an effective date of 1 <sup>st</sup> April, 2021 for such transition. For periods up to and including the year ended 31 <sup>st</sup> March, 2023, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India. In accordance with the roadmap for implementation of (Indian GAAP). In order to give effect of the transition to Ind AS, these financial statements for the year ended 31 <sup>st</sup> March, 2023, together with the comparative financial information for the previous year ended 31 <sup>st</sup> March, 2022 and the transition date balance sheet as at 1 <sup>st</sup> April, 2021 have been prepared under Ind AS.	<ol style="list-style-type: none"><li>1. Read the Ind AS impact assessment performed by the management and resultant changes made to the accounting policies considering the requirements of the new framework.</li><li>2. Assessed the judgement exercised by the management in applying the first time adoption principles of Ind AS 101 especially in respect of fair valuation of assets &amp; liabilities existing as at transition date.</li><li>3. Read changes made to accounting policies in light of the requirement of the new framework.</li><li>4. We understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS.</li><li>5. Assessed the judgement applied by the Company in determining its business model for classification of financial assets.</li><li>6. Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li><li>7. Assessed the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were inconsistent with the extant RBI Directions.</li></ol>

<p>The transition has involved significant changes in the Company's financial reporting processes, including generation of reliable and supportable financial information. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexities and significant judgement involved in implementing Ind AS, we have considered this area as a key audit matter.</p>	<p>8. Assessed disclosures made by the management for compliance with Ind AS</p>
<p>(b) Allowances for Expected Credit Losses (as described in note 1 (n) and 5 of the Ind AS financial statements)</p>	
<p>Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.</p> <p>ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgment estimates include:</p> <ol style="list-style-type: none"> <li>1. Estimating the behavioral life of the product/types of loans/ advances</li> <li>2. Data inputs in relation to ECL model</li> <li>3. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default.</li> <li>4. Defining qualitative/quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</li> <li>5. Determining effect of less frequent past events on future probability of default.</li> </ol>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors.</li> <li>2. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes.</li> <li>3. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process.</li> <li>4. Evaluated the reasonableness of the management understanding estimates by the process of ECL estimation and related assumptions (including Probability of Default and Loan Given Default) and tested the controls around data extraction and validation.</li> <li>5. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.</li> <li>6. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under higher stages.</li> <li>7. We tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>8. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance I estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.</li> </ol>
<p>(c) Information Technology ('IT') Systems and Internal Controls for financial reporting</p>	
<p>The financial accounting and reporting system of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls &amp; the application controls specific to the accounting and preparation of the financial information is c-considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. The aspects covered in the IT General Control audit were <ol style="list-style-type: none"> <li>(i) User Access Management</li> <li>(ii) Program Change Management</li> <li>(iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls.</li> </ol> </li> <li>2. Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting.</li> <li>3. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record /reports, observation, performance.</li> <li>4. Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.</li> </ol>



## **EMPHASIS OF MATTER**

We draw attention to the note no. 29 L wherein Company has disclosed accounting treatment followed on derecognition of loans in its entirety upon assignment. The Company is of the view that the accounting treatment prescribed in Ind AS 109 increases the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Therefore, based on the prudence concept, the Company has prepared the financial statements exercising their judgment under para 19 of Ind AS 1 'Presentation of financial statements' and has departed from the above-mentioned requirement of Ind AS 109. However, our conclusion is not modified in respect of this matter.

## **OTHER MATTER**

The comparative financial information of the Company at the transition date as at 1<sup>st</sup> April, 2021 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year 31<sup>st</sup> March, 2021 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended). Financial statements for the year ended 31<sup>st</sup> March, 2021 were audited by the erstwhile auditor whose audit report dated 20<sup>th</sup> May, 2021 expressed an unmodified opinion and our opinion is not qualified in respect of same.

## **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us on the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

## **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 the 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, which have been used for the purpose of preparation of the financial statements by the Board of Directors of the Company, as aforesaid.

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 based on 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 & perform audit procedures responsive to those risks & 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 matter 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) Based on the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position as stated in Note No. 29 G.
    - 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 its knowledge and belief, other than as disclosed in the notes to 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;
    - c) Based on such audit procedures that we have 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 (1) and (2) contain any material misstatement.
    - d) The Company has not declared or paid any dividend during the year.
    - v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.
3. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31<sup>st</sup> March, 2023, since none of the directors of the Company have drawn any managerial remuneration.

## ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements' in the Independent Auditor's Report of even date to the members of Light Microfinance Private Limited ("the Company") on the financial statements for the year ended 31<sup>st</sup> March, 2023]

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

- I. (a) (A) The Company has maintained proper records showing full particulars, quantity and situation of Property, Plant and Equipment, .  
 (B) The Company has maintained proper records showing full particulars of intangible assets.  
 (b) The Company has policy of physical verification of Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification's reasonable having regards to the size of the company and the nature of its assets. Pursuant to this policy, Property, Plant and Equipment have been physically verified by the management during the previous year and no material discrepancies were identified on such verification.  
 (c) The Company does not hold any immovable properties and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable.  
 (d) The Company has not revalued any Property, Plant and Equipment including Right of Use Assets or intangible assets during the year;.  
 (e) As disclosed in note 29 Q(ii), no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and accordingly the requirements under paragraph 3(i)(e) of the Order are not applicable.
  - ii. (a) The Company is a service company primarily in the business of providing microfinance services, accordingly, the requirements under clause 3(ii)(a) of the Order are not applicable.  
 (b) The company has not been sanctioned working capital limits during any point of time of the year in excess of five crore rupees, in aggregate, from banks or financial institution and hence requirements under clause 3(ii)(b) of the Order are not applicable.
  - iii. (a) The company is service company whose principal business is to give loans, accordingly, the requirement under clause 3(iii)(a) including sub clause (A) and (8) of the order is not applicable.  
 (b) Loans and advances provided to other parties and the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the company's interest.  
 (c) Company has stipulated the schedule of principal and payment of interest in respect of loans and advance in nature of loans and the repayments are generally regular except the cases reported under clause 3(iii)(d) of the order.  
 (d) The company has following cases where amount is overdue. The company has taken reasonable steps for recovery of such principal and interest.
- | No of Loan Accounts | Principal Overdue (Rs. in Lakhs) | Interest Overdue (Rs. in Lakhs) | Extent of Delay   |
|---------------------|----------------------------------|---------------------------------|-------------------|
| 2,165               | 84.05                            | 19.60                           | 1-90 Days         |
| 2,971               | 255.87                           | 51.32                           | More than 90 Days |
- (e) The company is service company whose principal business is to give loans, accordingly, the requirement under clause 3(iii)(e) of the order is not applicable
  - (f) Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to any party including Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013, accordingly, requirement under clause 3(iii)(f) of the order is not applicable.
  - iv. There are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and accordingly, requirements under clause 3(iv) of the Order are not applicable.
  - v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which directives issued by the RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder apply. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
  - vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.

vii. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income tax, cess and other statutory dues applicable to it. As informed, the provisions of sales tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

- a. According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. There are no dues referred to in 3(vii)(a) above which have not been deposited on account of any dispute.

viii. As disclosed by the management in note 29 Q(x) and verified by us there are no unrecorded transactions which have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961 (43 of 1961).

- ix. (a) During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As disclosed by the management in note 29 O(iii) and as confirmed by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) As represented by the company and as confirmed by us, company has applied the term loans for the same purpose for which it has been obtained.
- (d) On an overall examination of the financial statements of the Company, we report that funds raised on short term basis have prima facie not been used for long term purposes.
- (e) The Company does not have any Subsidiary company, Associate or Joint Ventures, accordingly, the provision of clause 3(ix)(e) is not applicable.
- (f) The Company does not have any Subsidiary company, Associate or Joint Ventures, accordingly, the provision of clause 3(ix)(f) is not applicable.

- x. (a) During the year, the Company has raised money by way of initial public offer of debt instruments and the same has been utilised for the purposes for which they were raised.
- (b) The Company has made private placement of preference shares for which the requirements of section 42 and 62 of the Act have been complied with and the funds raised have been used for the purpose for which it was raised. The Company has not made any preferential allotment or private placement of fully or partly or optionally convertible debentures during the year.

- xi. (a) No fraud by the Company has been noticed or reported during the year, except as disclosed in Note 'PP', the fraud on the company has been noticed involving misappropriation of cash collected from customers and other form of embezzlement of cash by the employee involving amount aggregating Rs. 13.21 lakhs. The company has terminated the service of such employees and has recovered Rs. 6.84 lakhs.
- (b) No report under sub section (12) of section 143 of the Act has been filed in the form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with central government during the year and up to the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the Order are not applicable to the Company

xiii. In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued during the year, for the period under audit.

xiv. During the year, the Company has not entered any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

- xv. (a) The company being NBFC-MFI is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the company.
- (b) The company has not conducted any Non-Banking financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India, and accordingly requirements of clause xiv(c) or the Order is not applicable.
- (d) There is no group entity of the company, accordingly, requirement of clause xiv(d) of the order is not applicable.

xvi. Based on overall examination of financial statements, the Company has not incurred any cash losses in current financial year and in the immediately preceding financial year.

xvii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause xviii of the Order is not applicable to the Company.

xviii. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. As disclosed by management in Note 29 M of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year hence reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable.

**For C N K & Associates**

**LLP Chartered Accountants**

**Firm Registration No: 101961W/W-100036**

**Place: Mumbai**

**Date: 25th May, 2023**

**UDIN:23100052BGMTVS3502**

## **ANNEXURE 2 to the Independent Auditor's Report of even date on Financial Statements of Light Microfinance Private Limited**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Light Microfinance Private Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENTS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For

**C N K & Associates LLP**

**Chartered Accountants**

**Registration No: 01961W/W - 100036**

**Partner**

**Membership No. 100052**

**Place: Mumbai**

**Date: 25th May, 2023**

**UDIN: 23100052BGVTV53502**



**LIGHT MICROFINANCE PVT LTD**  
**CIN-U67120DL1994PTC216764**  
**Balance Sheet as at March 31, 2023**

(Amount in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2	13,630.64	9,471.42	2,913.34
Bank balances other than cash and cash equivalents	3	4,161.08	4,706.05	2,715.89
Trade Receivables	4	91.67	88.64	76.71
Loans	5	1,43,532.99	80,191.26	48,976.56
Investments	6	3,526.27	-	-
Other financial assets	7	6,539.13	3,821.97	1,804.53
		<b>1,71,481.78</b>	<b>98,279.34</b>	<b>56,486.49</b>
<b>Non Financial Assets</b>				
Current tax assets (net)	8	39.42	-	-
Deferred tax asset (net)	9	793.12	1,125.64	570.45
Property, Plant and Equipments	10-A	613.35	266.89	172.70
Right of Use		488.27	382.81	510.27
Intangible assets under development	10-B	126.97	25.93	-
Other Intangible assets	10-A	270.36	74.40	53.68
Other non-financial assets	11	211.58	84.71	94.16
		<b>2,543.09</b>	<b>1,960.34</b>	<b>1,401.27</b>
<b>Total Assets</b>		<b>1,74,024.87</b>	<b>1,00,239.71</b>	<b>57,887.76</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Financial Liabilities</b>				
Payables				
Trade Payables				
(i) Total outstanding dues of Micro enterprises and small enterprises	12	137.01	0.90	-
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises other payables	12	513.38	247.58	129.44
Debt securities	13	20,720.60	13,290.67	7,381.33
Borrowings (other than Debt securities)	14	1,07,552.78	68,363.67	40,675.78
Subordinated Liabilities	15	3,000.00	3,000	1,000.00
Other financial liabilities	16	5,915.63	1,953.87	898.09
Lease liabilities		558.77	743.34	510.27
		<b>1,38,398.17</b>	<b>87,600.03</b>	<b>50,594.91</b>
<b>Non Financial Liabilities</b>				
Current tax liabilities (net)		-	26.55	102.60
Provisions	17	230.17	110.17	2.29
Other Non Financial liabilities	18	3,411.31	2,512.26	738.49
		<b>3,641.48</b>	<b>2,648.98</b>	<b>843.38</b>
<b>Equity</b>				
Equity share capital	19	10,779.68	4,587.74	3,331.58
Other equity	20	21,205.54	5,402.96	3,117.89
		<b>31,985.22</b>	<b>9,990.70</b>	<b>6,449.47</b>
<b>Total liabilities and equity</b>		<b>1,74,024.87</b>	<b>1,00,239.71</b>	<b>57,887.76</b>
Notes forming part of the Financial Statements	1 to 29			

As per our attached report of even date

For Light Microfinance Private Limited

For C N K & Associates LLP.  
Chartered Accountants  
FRN No. 101961W/W-100036

**Hiren Shah**  
Partner  
Membership No. : 100052

Place: Ahmedabad  
Date: 25th May, 2023

**Deepak Amin**  
Managing Director  
DIN- 01289453

**Rakesh Kumar**  
Executive Director  
DIN-03430670

**Aviral Saini**  
Executive Director  
DIN-03534719

**Madhavi Gajjar**  
Company Secretary  
M.No. A54522

<b>LIGHT MICRO FINANCE PVT LTD</b>			
<b>CIN-U67120DL1994PTC216764</b>			
<b>Statement of Profit &amp; Loss for the year ended March 31, 2023</b>			
Particulars	Notes	Year Ended	
		March 31, 2023	March 31, 2022
<b>Revenue from operations</b>			
Interest income	21	24,346.42	13,833.78
Other operating income	22	4,238.48	2,389.46
<b>Total revenue from operation</b>		<b>28,584.90</b>	<b>16,223.24</b>
<b>Other income</b>	23	<b>514.06</b>	<b>108.07</b>
<b>Total Income</b>		<b>29,098.96</b>	<b>16,331.31</b>
<b>Expenses</b>			
Finance cost	24	11,349.76	7,687.02
Impairment/(Reversal) of Impairment on Financial Instruments	25	(2,073.24)	1,773.36
Net loss on derecognition of financial instruments under amortised cost category	25	5,173.01	-
Employee Benefit Expense	26	7,875.73	5,582.54
Depreciation & Amortization Expenses	27	390.43	529.68
Other Expenses	28	3,138.43	2,096.54
<b>Total Expenses</b>		<b>25,854.12</b>	<b>17,669.14</b>
<b>Profit/(loss) before tax</b>		<b>3,224.84</b>	<b>(1,337.83)</b>
<b>Tax Expenses</b>			
Current Tax		271.44	242.22
Deferred Tax Charge/(Credit)		338.83	(571.82)
Excess/(Short) Provisions of earlier year		(51.86)	1.48
<b>Total tax expense</b>		<b>558.41</b>	<b>(328.12)</b>
<b>Net profit/(loss) after tax</b>		<b>2,686.43</b>	<b>(1,009.71)</b>
<b>Other Comprehensive income/(loss)</b>			
(1) Items that will not be reclassified to profit and loss		(25.07)	(66.05)
(2) Income tax relating to items that will not be reclassified to profit and loss		6.31	(16.62)
<b>Subtotal (a)</b>		<b>(18.76)</b>	<b>(82.67)</b>
(1) Items that will be reclassified to profit and loss		-	-
(2) Income tax relating to items that will not be reclassified to profit and loss		-	-
<b>Subtotal (b)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive income/(loss) (a+b)</b>		<b>(18.76)</b>	<b>(82.67)</b>
<b>Total comprehensive income (comprising profit and other comprehensive income/(loss))</b>		<b>2,667.67</b>	<b>(1,092.38)</b>
<b>Paid up equity share capital (face value of Rs 10 per equity share)</b>			
<b>Other equity as per balance sheet of previous accounting year</b>		<b>10,779.68</b>	<b>4,587.74</b>
<b>Earning per share (ESP) (face value of Rs 10 per equity share)</b>			<b>5,402.96</b>
Basic EPS	29-B	10.72	(4.03)
Diluted EPS	29-B	3.53	(4.03)
Notes forming part of the financial results	1 to 29		
<b>As per our attached report of even date</b>		<b>For Light Microfinance Private Limited</b>	
<b>For C N K &amp; Associates LLP.</b> Chartered Accountants FRN No. 101961W/W-100036		<b>Deepak Amin</b> Managing Director DIN- 01289453	
<b>Hiren Shah</b> Partner Membership No. : 100052		<b>Rakesh Kumar</b> Executive Director DIN-03430670	
Place: Ahmedabad Date: 25th May, 2023		<b>Aviral Saini</b> Executive Director DIN-03534719	
		<b>Madhavi Gajjar</b> Company Secretary M.No. A54522	

<b>LIGHT MICRO FINANCE PVT LTD</b>		
<b>CIN-U67120DL1994PTC216764</b>		
<b>Statement of cash flow for the year ended March 31, 2023</b>		
<i>(Amount in lakhs)</i>		
<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Cash flow from Operating Activities</b>		
Profit before tax	3,244.84	(1,337.83)
Depreciation and amortization	253.12	230.14
Gain on sale of units of Mutual Fund	18.33	(96.27)
Non Cash Employee Share Base Payment Expense	90.61	77.25
Loss/(Profit) on sale of Assets	(0.81)	(0.14)
<b>Operating Profit before Working Capital Changes</b>	<b>3,606.09</b>	<b>(1,126.85)</b>
Movements in Working Capital:		
Decrease/(Increase) in trade receivables	(3.04)	(12.47)
Decrease/(Increase) in loans	(63,341.73)	(31,214.69)
Decrease/(Increase) in other financial assets	(2,717.17)	(2,017.44)
Decrease/(Increase) in right of use	(105.46)	127.46
Decrease/(Increase) in other non financial assets	(126.87)	9.45
Increase/(Decrease) in trade payables	401.91	119.04
(Decrease)/Increase in other financial liabilities	3,702.90	705.19
(Decrease)/Increase in provisions	94.93	41.83
(Decrease)/Increase in other non financial liabilities	899.05	1,773.78
<b>Cash Generated/(Used in) Operations:</b>	<b>(57,589.40)</b>	<b>(31,594.70)</b>
Direct Taxes Paid (net of refunds)	285.55	319.75
<b>Net Cash Flow from/(used in) Operating Activities (A)</b>	<b>(57,874.97)</b>	<b>(31,914.45)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment	(579.27)	(299.03)
Redemption/(Purchase) of units of Mutual Funds (net)	(18.33)	96.27
Decrease/(Increase) in Investment	(3,526.27)	-
(Increase)/Decrease in fixed deposits	544.97	(1,990.16)
Purchase of intangible asset	(248.76)	(46.47)
Intangible assets under development	(101.04)	(25.93)
Proceeds from disposal of property, plant and equipment	33.28	0.60
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(3,895.42)</b>	<b>(2,264.72)</b>
<b>Cash flow from Financing Activities</b>		
Debt securities issued (net)	7,429.93	5,909.33
Borrowings other than debt securities repaid (net)	39,189.12	27,687.88
Subordinated Liabilities (net)	-	2,000
Increase/(Payment) of lease liabilities	(184.57)	233.07
Proceeds from issuance of Equity Share Capital	0.00	-
Proceeds from issuance Compulsory Convertible Preference Share (including premium)	19,594.40	4,735.71
(Decrease)/Increase in Interest accrued on borrowing	258.85	350.60
Payment of dividend on redeemable Preference Share	-	(89.75)
Expenditure on issuance of Compulsory Convertible Preference Share/Non Convertible Debenture	(358.16)	(89.61)
<b>Net Cash Flow from/(used in) financing Activities (C)</b>	<b>65,929.57</b>	<b>40,737.23</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>4,159.18</b>	<b>6,558.08</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>9,471.42</b>	<b>2,913.34</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>13,630.64</b>	<b>9,471.42</b>
Notes forming part of the financial results		
<b>As per our attached report of even date</b>	<b>For Light Microfinance Private Limited</b>	
<b>For C N K &amp; Associates LLP.</b> Chartered Accountants FRN No. 101961W/W-100036	<b>Deepak Amin</b> Managing Director DIN- 01289453	
<b>Hiren Shah</b> Partner	<b>Rakesh Kumar</b> Executive Director DIN-03430670	
	<b>Aviral Saini</b> Executive Director DIN-03534719	
Place: Ahmedabad Date: 25th May, 2023	<b>Madhavi Gajjar</b> Company Secretary M.No. A54522	

**LIGHT MICRO FINANCE PVT LTD**  
**Statement of change in equity for the year ended March 31, 2023**

Particulars	(Amount in lakhs)						
	Equity Share	Preference Share	Statutory Reserves*	Securities Premium	Retained Earnings	Stock Options outstanding	Total
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>							
Balance as at 1 April 2021	2,505.00	826.58					3,117.89
Issued During the Period	-	1,256.16					1,256.16
Balance as at 31 March 2022	2,505.00	2,082.74					4,587.74
Issued During the Period	0.00	6,191.94					6,191.94
Balance as at 31 March 2023	2,505.00	8,274.68					10,779.68
<b>Other Equity</b>							
Balance as at 1 April 2021			439.09	2,141.70	537.10		3,117.89
Amount Transferred from balance in the statement of profit and loss u/s 45 IC of Reserve Bank of India Act, 1934			108.52	3,479.56	-		3,479.56
Security Premium received			-	(89.61)	-		(89.61)
Security Premium utilized under section 52 of The Companies Act, 2013			-	-	(1,092.38)		(1,092.38)
Surplus for the period			-	-	(89.75)		(89.75)
Dividend Paid on Redeemable Preference Shares			-	-	(108.52)		(108.52)
Transfer to Statutory Reserves u/s 45IC of Reserve Bank of India Act, 1934			-	-	-	77.25	77.25
Reserve added during the year Option Granted			-	-	-	-	-
Balance as at 31 March 2022			547.61	5,531.65	(753.55)	77.25	5,402.96
Amount Transferred from balance in the statement of profit and loss u/s 45IC of Reserve Bank of India Act, 1934.			533.53	13,402.46	-		13,402.46
Security Premium received			-	(358.16)	-		(358.16)
Security Premium utilized under section 52 of the Companies Act, 2013			-	-	2,667.67		2,667.67
Surplus for the period			-	-	(533.53)		(533.53)
Dividend Paid on Redeemable Preference Shares			-	-	-		-
Transfer to Statutory Reserves u/s 45 IC of Reserve Bank of India Act, 1934			-	-	-		-
Reserve added during the year Option Granted			-	-	-		-
Balance as at 31 March 2023			1,081.14	18,575.95	1,380.59	167.86	21,205.54

\*Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.  
See accompanying notes to the financial statements in terms of our report attached.

As per our attached report of even date

For C N K & Associates LLP,  
Chartered Accountants  
FRN No. 101961W/W-100036

For Light Microfinance Pvt Ltd

Hiren Shah  
Partner  
Membership No. : 100052

Place: Ahmedabad  
Date: 25th May, 2023

Deepak Amin  
Managing Director  
DIN- 01289453

Rakesh Kumar  
Executive Director  
DIN-03430670

Aviral Saini  
Executive Director  
DIN-03534719

Madhavi Gajjar  
Company Secretary  
M.No. A54522

## **NOTE 1: NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **a. Corporate Information**

Light Microfinance Private Limited ("the Company") is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was registered as a Non-Banking Financial Company ("NBFC") with the Reserve Bank of India ("RBI") and has got classified as a Non-Banking Financial Company – Micro Finance Institution ("NBFC-MFI") with effect from May 27, 2014.

The Company is engaged primarily in providing microfinance services to its members for undertaking productive activities in urban/semi-urban/rural areas of India who are organized, inter alia as Joint Liability Groups ("JLGs"). The company has its operation spread across 5 states namely Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh and Rajasthan.

### **b. Basis of Preparation**

#### **Statement of compliance with Indian Accounting Standards (Ind AS)**

The financial statements of the Company are prepared in accordance with Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) except financial assets under direct assignment transaction as it explained in note no. 29-K, regulatory guidance issued by RBI on Implementation of Indian Accounting Standards and the Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('NBFC Master Directions') issued by RBI.

For all periods up to and including the year ended March 31, 2022, the financial statements of the Company are prepared in accordance with generally accepted accounting policies in India ("Indian GAAP") under the historical cost convention on the accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to NBFC-MFIs.

The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the companies (Indian Accounting Standards) Rule, 2015 from April 01,2022 and effective date of such transition is April 01,2021. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the previous GAAP'), Accordingly, the impact of transition has been recorded in the opening reserves as at April 1,2021 and the corresponding figures presented in these results have been restated/reclassified.

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value through profit and loss (FVTPL) or fair values through other comprehensive income (FVOCI) as explained in relevant accounting policies.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

These Ind AS Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 25 2023. The above financial statements for the year ended March 31, 2023 have been audited by the Statutory Auditors of the Company.

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **c. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **d. Property, plant and equipment (PPE)**

Property, plant and equipment are stated at cost of acquisition or construction (including directly attributable expenses thereto) or at revalued amounts, net of impairment loss if any, less depreciation/amortisation. The cost of property, plant and equipment includes duties, freight and other directly/specifically attributable expenses related to the construction, acquisition and installation of the respective assets.

Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

#### **e. Capital work-in-progress**

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property, plant and equipment. Assets which are not ready to intend use are also shown under capital work-in-progress.

#### **f. Intangible assets**

Intangible assets are recorded at the consideration paid / payable for acquisition in case the same have been purchased/acquired. Internally generated intangible assets are carried at cost incurred to generate the asset. These are reviewed for impairment as at the balance sheet date and whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. If impairment is indicated, the same is recognized in the Statement of Profit and Loss for the period.

Intangible assets under development consists of cost capitalized since the development costs are measurable reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalized includes the cost of purchase of license, direct labour and overheads costs that are directly attributable to preparing the asset to its intended use.

#### **g. Depreciation and amortization**

All property, plant and equipment, except capital work in progress, are depreciated on a written down value method as per the useful lives as mentioned in Schedule II of Companies Act, 2013. Residual value is considered as 5% in which case it is considered as per Schedule II. Depreciation is charged proportionately from/to the date of acquisition/disposal.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Depreciation method and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are amortized over their estimated useful life, which in management's estimate represents the period during which economic benefits will be derived from their use. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication on impairment based on internal/external factors.

The useful life of the assets estimated by the management :

a) Furniture and fixtures	10 years
b) Computers	3 years
c) Office equipment	5 years
d) Electric Installation	10 years
e) Leasehold improvements	Life based on the lease period
f) Intangible Assets	5 years

#### **h. Financial assets**

##### **Initial recognition and measurement**

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Classification and subsequent measurement**

###### **• Financial assets carried at amortised cost**

Financial assets like loan portfolio are measured at amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

- **Investments in Mutual Funds**
  - Mutual funds included within FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.
- **Investments in security receipts**
  - Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through profit & loss (FVTPL).

#### **i. Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### **Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

#### **j. Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the financial asset have expired. The Company also derecognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement.

Assignment arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the "original asset"), but assumes a contractual obligation to pay those cash flows to one or more entities ("eventual recipients"), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
- In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The Company continues to recognise their part of assignment transaction in the books of accounts and the same is recognised at amortised cost. The resulting interest only strip initially is recognised at FVTPL.

#### **k. Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

### **I. Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **m. Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication on impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of non-financial assets exceeds its recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### **n. Impairment of financial assets**

In accordance with Ind AS 109, the Company is required to measure expected credit losses (ECL) on its financial instruments designated at amortized cost and fair value through other comprehensive income.

Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognise credit losses over next 12-month period. The Company has an option to determine such losses on an individual basis or collectively depending upon the nature of underlying portfolio.

The Company has a process to assess credit risk of all exposures at each year end as follows:

#### **Stage I**

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdue) and exposures upto 30 days overdue fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

#### **Stage II**

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdue on an exposure exceed a period of 30 days and upto 90 days. Accordingly, the Company classifies all exposures with overdue exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL (LTECL) on stage II loans.

#### **Stage III**

All exposures having overdue balances for a period exceeding 90 days are defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

### **Methodology for calculating ECL**

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows.

- **Probability of default (PD)**
  - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).
- **Exposure at default (EAD)**
  - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.
- **Loss given default (LGD)**
  - It represents an estimate of the loss expected to be incurred when the event of default occurs.

### **Forward looking information**

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macroeconomic trends reasonably.



#### **o. Lease**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use asset**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

#### **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the lease payments.

#### **Short-term leases**

The Company has elected to account for short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date) and leases of low-value assets using the practical expedients. Instead of recognizing a right-of use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

#### **p. Retirement and other employee benefits**

##### **Short term employment benefits:**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

##### **Post-employment benefits:**

- **Defined contributions plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and employees state insurance scheme which are defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- **Defined benefits plans**

The Company's gratuity benefit scheme is a funded defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value and the fair value of any plan assets is deducted to arrive at the net obligation.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

- **Other long-term employee benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability. Such long-term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the end of each financial year.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

#### **q. Share based payment**

The Company has formulated an Employees Stock Option Schemes. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in other equity. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. It recognizes the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

#### **r. Taxes**

##### **Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity.

##### **Deferred Tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

#### **s. Foreign Currency Transactions**

##### **Functional and presentation currency**

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

#### **t. Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share.

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue and bonus element in a right issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **u. Provisions**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

#### **v. Contingent liabilities and assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

#### **w. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques. Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements. The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy which reflects the significance of inputs used in the measurement.

All assets and liabilities for which fair value is measured are categorised with fair value hierarchy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

**Level 3** - Unobservable inputs for the asset or liability.

#### **x. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits with banks which are kept for original maturities of less than three months, other short-term highly liquid investments with original maturities of three months or less.

#### **y. Cash flow statement**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

## **z. Revenue Recognition**

### **Interest Income**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost.

EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest income to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on gross basis. Additional interest/overdue interest/other charges are recognized only when it is reasonably certain that the ultimate collection will be made.

### **Income from assignment transactions**

Income from assignment transactions i.e. present value of excess interest spread (on de-recognized assets) is recognized over the assignment period. Interest income is also recognized on carrying value of assets over the remaining period of such assets.

### **Fees and Commission income**

Income in the form of fees and commission is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

### **Dividend income**

Dividend income is recognized at the time when the right to receive is established by the reporting date.

### **Recovery from bad debts**

Recovery from bad debts written off is recognised as income on actual realisation from the customers.

### **Recognition of other income**

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation.

### **Miscellaneous income**

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

### **aa. Borrowing Cost**

Borrowing costs consists of interest and other cost (like fees, commission payable to arranger, external legal cost, and other related expenses) that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss based on effective interest rate method.

### **bb. Critical accounting estimates and judgements**

The preparation of the Company's standalone financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the standalone financial statements for e.g.:

- o Business model assessment.
- o Fair value of financial instruments.
- o Effective interest rate (EIR).
- o Impairment of financial assets.
- o Provisions.
- o Contingent liabilities and assets.
- o Provision for tax expenses.
- o Residual value and useful life of property, plant and equipment.

**cc. Recent Pronouncements:**

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- i. **Ind AS 101** – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- ii. **Ind AS 102** – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.
- iii. **Ind AS 103** – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.
- iv. **Ind AS 107** – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- v. **Ind AS 109** – Financial Instruments – modification relating to reassessment of embedded derivatives.
- vi. **Ind AS 1** – Presentation of Financials Statements – modification relating to disclosure of ‘material accounting policy information’ in place of ‘significant accounting policies’.
- vii. **Ind AS 8** – Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of ‘accounting estimate’ and application of changes in accounting estimates.
- viii. **Ind AS 12** – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.
- ix. **Ind AS 34** – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of ‘material accounting policy information’ in place of ‘significant accounting policies’.

The Company is evaluating the amendments and the expected impact, if any, on the Company’s financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

<b>LIGHT MICROFINANCE PVT LTD</b>				
<b>Notes to financial statements for the year ended March 31, 2023</b>				
<i>(Amount in lakhs)</i>				
<b>2. Cash and cash equivalents</b>	<b>As at March 31 2023</b>	<b>As at March 31 2022</b>	<b>As at April 1 2021</b>	
Cash on Hand	56.26	41.73	11.90	
Balances with Banks in Current accounts	12,074.38	8,629.69	2,901.44	
Bank deposit with maturity of less than 3 months	1,500.00	800.00	-	
<b>Total</b>	<b>13,630.64</b>	<b>9,471.42</b>	<b>2,913.34</b>	
<b>3. Bank balance other than cash and cash equivalents</b>	<b>As at March 31 2023</b>	<b>As at March 31 2022</b>	<b>As at April 1 2021</b>	
<b>Fixed deposit with bank not considered as cash and cash equivalents*</b>	4,161.08	4,706.05	2,715.89	
<b>Total</b>	<b>4,161.08</b>	<b>4,706.05</b>	<b>2,715.89</b>	
*Balances with banks to the extent held as margin money or security against the borrowings				
<b>4. Trade Receivables</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at April 1, 2021</b>	
Trade receivables considered good-secured	-	-		
Trade receivable considered good-unsecured	91.67	88.64	76.17	
Trade receivables which have significant increase in credit risk	-	-		
Trade receivables - credit impaired	-	-		
<b>Total</b>	<b>91.67</b>	<b>88.64</b>	<b>76.17</b>	
	<b>As at March 31 2023</b>			
<b>Outstanding for following periods from due date of payment</b>	<b>&lt; 6months</b>	<b>6 Months - 1 Year</b>	<b>&gt;1 Year</b>	<b>Total</b>
(i) Undisputed Trade receivables - considered good	91.67	-	-	<b>91.67</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-
	<b>As at March 31, 2022</b>			
<b>Outstanding for following periods from due date of payment</b>	<b>&lt; 6months</b>	<b>6 Months - 1 Year</b>	<b>&gt;1 Year</b>	<b>Total</b>
As at March 31 2023	88.64	-	-	<b>88.64</b>
(i) Undisputed Trade receivables - considered good	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-
	<b>As at April 1, 2021</b>			
<b>Outstanding for following periods from due date of payment</b>	<b>&lt; 6months</b>	<b>6 Months - 1 Year</b>	<b>&gt;1 Year</b>	<b>Total</b>
As at March 31 2023	76.17			<b>76.17</b>
(i) Undisputed Trade receivables - considered good	-			-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-			-
(iii) Undisputed Trade Receivables - credit impaired	-			-
(iv) Disputed Trade Receivables - considered good	-			-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-			-
(vi) Disputed Trade Receivables - credit impaired	-			-

LIGHT MICROFINANCE PVT LTD				
Notes to financial statements for the year ended March 31, 2023				
5. Loans	As at March 31 2023	As at March 3 2022	As at April 1 2021	
At Amortised cost				
<b>(a) Term Loans</b>				
Joint liability loans*	1,45,453.36	84,220.88		51,234.96
Less: Impairment loss allowance	(1,920.37)	(4,029.62)		(2,258.40)
<b>Total - Net</b>	<b>1,43,532.99</b>	<b>80,191.26</b>		<b>48,976.56</b>
(B) Unsecured	1,45,453.36	84,220.88		51,234.96
Less: Impairment loss allowance	(1,920.37)	(4,029.62)		(2,258.40)
<b>Total - Net</b>	<b>1,43,532.99</b>	<b>80,191.26</b>		<b>48,976.56</b>
<b>(C) (I) Loans in India</b>				
(a) Public Sector	-	-		-
(b) Others	1,45,453.36	84,220.88		51,234.96
<b>Total - Gross</b>	<b>(1,920.37)</b>	<b>(4,029.62)</b>		<b>(2,258.40)</b>
Less: Impairment loss allowance	<b>1,43,532.99</b>	<b>80,191.26</b>		<b>48,976.56</b>
<b>Total - Net</b>				
(iii) Loans outside India	-	-		-
Less: Impairment loss allowance	-	-		-
<b>Total - Net</b>				
<b>Total</b>	<b>1,43,532.99</b>	<b>80,191.26</b>		<b>48,976.56</b>
*Portfolio at EIR 5-A Portfolio classification as at March 31, 2023				
<i>(Rupees in lakhs)</i>				
<b>Particulars</b>	<b>Stage I</b>	<b>Stage II</b>	<b>Stage III</b>	<b>Total</b>
Considered good	1,46,071.53	423.49	-	1,46,495.02
Considered doubtful	-	-	774.52	774.52
<b>Total#</b>	<b>1,46,071.53</b>	<b>423.49</b>	<b>774.52</b>	<b>1,47,269.54</b>
#Portfolio at gross amount Portfolio classification as at March 31, 2022				
<i>(Rupees in lakhs)</i>				
<b>Particulars</b>	<b>Stage I</b>	<b>Stage II</b>	<b>Stage III</b>	<b>Total</b>
Considered good	81,066.69	1,615.28	-	82,681.98
Considered doubtful	-	-	1,605.70	1,605.70
<b>Total#</b>	<b>81,066.69</b>	<b>1,615.28</b>	<b>1,605.70</b>	<b>84,287.68</b>
#Portfolio at gross amount Gross Portfolio Movement for the year ended March 31, 2023				
<i>(Rupees in lakhs)</i>				
<b>Particulars</b>	<b>Stage I</b>	<b>Stage II</b>	<b>Stage III</b>	<b>Total</b>
<b>Gross carrying amount as at April 1, 2022 (A)</b>	<b>81,066.69</b>	<b>1,615.28</b>	<b>1,605.70</b>	<b>84,287.68</b>
Inter-stage movements				
Stage I	(1,599.31)	513.40	1,085.91	-
Stage II	14.24	(34.79)	20.55	-
Stage III	2.11	0.90	(3.01)	-
<b>(B)</b>	<b>(1,582.95)</b>	<b>479.50</b>	<b>1,103.45</b>	<b>-</b>
New assets originated, repaid and derecognised during the year (C)	66,587.79	(1,671.30)	(1,934.63)	62,981.89
<b>Gross carrying amount as at March 31, 2023 (A+B+C)</b>	<b>1,46,071.53</b>	<b>423.49</b>	<b>774.52</b>	<b>1,47,269.54</b>
Gross Portfolio Movement for the year ended March 31, 2022				
<i>(Rupees in lakhs)</i>				
<b>Particulars</b>	<b>Stage I</b>	<b>Stage II</b>	<b>Stage III</b>	<b>Total</b>
<b>Gross carrying amount as at April 1, 2021 (A)</b>	<b>49,624.54</b>	<b>214.41</b>	<b>118.22</b>	<b>49,957.17</b>
Inter-stage movements	-	-	-	-
Stage I	(2,918.08)	1,445.03	1,473.05	-
Stage II	-	(34.26)	34.26	-
Stage III	-	-	-	-
<b>B</b>	<b>(2,918.08)</b>	<b>1,410.77</b>	<b>1,507.31</b>	<b>-</b>
New assets original, repaid and derecognised during the year (C)	34,360.24	(9.90)	(19.83)	34,330.51
<b>Gross carrying amount as at March 31, 2022 (A+B+C)</b>	<b>81,066.69</b>	<b>1,615.28</b>	<b>1,605.70</b>	<b>84,287.6</b>

**LIGHT MICROFINANCE PVT LTD**

Notes to financial statements for the year ended March 31, 2023

6. Investments	As at March 31 2023	As at March 31 2022	As at April 1 2021
At fair value through profit or loss (FVTPL)			
<b>Investment in mutual fund</b>			
SBI Magnum Gilt Mutual Fund (Units 36,50,105.32) (Previous year: Nil) - Market Value - Rs 2,012.47 lakhs (Previous year: Nil)	1,999.90	-	-
<b>Investment in others</b>			
Pass through certificates under securitization transactions	437.51	-	-
Investment in Security Receipts (Units: 83,759 Face Value - Rs 1,000 per unit, NAV - Rs 1,300 per unit) (Previous year - Nil)	1,088.87	-	-
	3526.27		
(i) Investments outside India	-	-	-
(ii) Investments in India	<b>3,526.27</b>	-	-
<b>Total</b>	<b>3,526.27</b>	-	-
7. Other Financial assets	As at March 31 2023	As at March 31, 2022	As at April 1, 2021
Spread receivable on assigned portfolio	2,628.75	2,196.28	395.07
Receivable on securitisation transaction	1,100.54		
Security deposits (unsecured, considered good)	103.90	245.64	637.72
Interest Accrued but not due on portfolio loans	2,108.53	977.28	588.06
Interest Accrued but not due on deposits placed with banks	146.08	90.56	120.63
Interest Accrued but not due on assigned portfolio and securitisation transaction	438.86	312.19	63.02
Other financial assets	12.47	0.02	0.03
<b>Total</b>	<b>6,539.13</b>	<b>3,821.97</b>	<b>1,804.53</b>
8. Current tax assets (net)	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Current tax (net of provisions)	39.42	-	2.13
<b>Total</b>	<b>39.42</b>	-	<b>2.13</b>
9. Deferred Tax Asset (net)	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	20.70	27.26	11.82
Impact of Preliminary Expenses	-	10.72	0.65
Provision of ESOP	42.25	19.44	-
Provision for expected credit loss	432.86	1,007.95	568.98
Gain/loss on Gratuity actuarial valuation transferred to OCI	(5.45)	-11.76	4.86
Fair value of investment	(66.38)	-	-
Adoption of Effective Interest Rate for loan assets	457.10	182.11	-
Recognition of lease liabilities and right to use asset	17.75	7.38	-
Receivable from assignment of portfolio loans	(102.37)	(117.47)	(15.86)
Others	(3.33)	-	-
<b>Total</b>	<b>793.12</b>	<b>1,125.64</b>	<b>570.45</b>



**LIGHT MICROFINANCE PVT LTD**

**Notes to financial statements for the year ended March 31, 2023**

**10-A. Property, Plant & Equipments and intangible assets**

*(Amount in lakhs)*

Nature of assets	Property, plant and equipment (a)						Intangible assets (b)	
	Motor Car & Vehicle	Furniture & Fittings	Computer & System	Office Equipment	Electrical Installation	Total	Software	Total
<b>Cost</b>								
As at 1 April 2021	11.54	117.50	199.14	58.01	14.50	<b>400.68</b>	136.99	<b>136.99</b>
Additions	-	42.79	220.12	24.42	15.06	<b>302.39</b>	46.47	<b>46.47</b>
Disposals	-	23.05	35.34	16.60	-	<b>74.99</b>	-	-
As at 31 March 2022	11.54	137.24	383.92	65.83	29.56	<b>628.09</b>	183.46	<b>183.46</b>
Additions	-	108.33	377.68	33.99	27.36	<b>547.37</b>	248.76	<b>248.76</b>
Disposals	-	0.34	3.64	0.27	-	<b>4.24</b>	-	-
<b>As at 31 March 2023</b>	<b>11.54</b>	<b>245.23</b>	<b>757.97</b>	<b>99.56</b>	<b>56.92</b>	<b>1,171.22</b>	<b>432.22</b>	<b>432.22</b>
<b>Depreciation/amortisation</b>								
As at 1 April 2021	6.94	46.84	130.18	40.10	3.91	<b>227.98</b>	83.31	<b>83.31</b>
Depreciation/amortization charge	1.44	25.30	157.24	14.93	5.48	<b>204.39</b>	25.75	-
Disposal	-	21	35	16	-	<b>71.17</b>	-	<b>109.06</b>
As at 31 March 2022	8.38	51.51	252.80	39.13	9.40	<b>361.21</b>	109.06	<b>52.80</b>
Depreciation/amortization charge	0.99	33.93	139.58	18.34	7.49	<b>200.32</b>	52.80	-
Disposal	-	0.15	3.66	0.15	-	<b>3.67</b>	-	-
<b>As at 31 March 2023</b>	<b>9.36</b>	<b>85.28</b>	<b>389.02</b>	<b>57.31</b>	<b>16.88</b>	<b>557.86</b>	<b>161.86</b>	<b>161.86</b>
<b>Net block value:</b>								
At 31 March 2022	3.06	85.73	131.12	26.71	20.16	<b>266.89</b>	74.40	<b>74.40</b>
At 31 March 2023	2.18	159.95	368.95	42.24	40.04	<b>613.35</b>	270.36	<b>270.36</b>

Note: No revaluation of any class of asset is carried out during the year

<b>10-B. Intangible assets under development</b>	
Intangible assets under development	
As at 1 April 2021	-
Additions	25.93
Disposals	-
As at 31 March 2022	25.93
Additions	133.74
Disposals	32.70
As at 31 March 2023	126.97

Note: During the year, there was no impairment of assets of the company.

<b>Intangible Assets Under Development</b>		<b>To be Completed in</b>			
As at 31 March 2023					
Project Name	<1 Year	1-2 Years	2-3 Years	>3 Years	
LUMEN	65,51,410	-			
LASER	61,45,440	-			
<b>Total</b>	<b>1,26,96,850</b>	-	-	-	
<b>Intangible Assets Under Development</b>		<b>To be Completed in</b>			
As at 31 March 2022					
Project Name	<1 Year	1-2 Years	2-3 Years	>3 Years	
LUMEN	20,56,950	-			
LASER	5,35,914	-			
<b>Total</b>	<b>25,92,864</b>	-	-	-	

**LIGHT MICROFINANCE PVT LTD**

Notes to financial statements for the year ended March 31, 2023

11. Other non financial assets	As at March 31 2023	As at March 31 2022	As at April 1 2021	
Prepaid expenses	133.08	31.88	70.82	
Advances to employees	0.02	0.02	0.03	
Other advances	78.49	52.81	23.31	
<b>Total</b>	<b>211.58</b>	<b>84.71</b>	<b>94.16</b>	
<b>12. Trade Payables</b>				
	As at March 31 2023	As at March 31 2022	As at April 1 2021	
Trade Payables				
(i) Total outstanding dues of creditors Micro enterprises and small enterprises	137.01	0.90	-	
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	513.38	247.58	129.44	
<b>Total</b>	<b>650.39</b>	<b>248.48</b>	<b>129.44</b>	
<b>As at March 31 2023</b>				
Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 Years	Total
(i) MSME	137.01	-	-	137.01
(ii) Others	513.38	-	-	513.38
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
<b>As at March 31 2022</b>				
Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 Years	Total
(i) MSME	0.90	-	-	0.90
(ii) Others	247.58	-	-	247.58
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
<b>As at April 1 2021</b>				
Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 Years	Total
(i) MSME	-	-	-	-
(ii) Others	129.44	-	-	129.44
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-

**LIGHT MICROFINANCE PVT LTD**

Notes to financial statements for the year ended March 31, 2023

<b>13. Debt securities</b>	<b>As at March 31 2023</b>	<b>As at March 31 2023</b>	<b>As at April 1 2021</b>
At Amortised cost			
Secured debentures	20,720.60	13,290.67	7,381.33
<b>Total</b>	<b>20,720.60</b>	<b>13,290.67</b>	<b>7,381.33</b>
Debt Securities in India	20,720.60	13,290.67	7,381.33
Debt Securities Outside India	-	-	-
<b>Total</b>	<b>20,720.60</b>	<b>13,290.67</b>	<b>7,381.33</b>
<b>Debt securities (at amortised cost)</b>			
<b>Non Convertible Debentures</b>			
Nil (March 31, 2022 3572 Nos), 13.95% (Sept 18,2019: 3572) Non Convertible Debentures of Rs 100,000/- redeemable in 4 Instalments by September, 2022 (Secured)	-	1,190.67	2,381.33
300 Nos, (March 31, 2022 300 Nos) 11% (Aug 11,2020: 300) Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by April, 2023 (Secured)	3,000.00	3,000.00	3,000.00
Nil (March 31, 2022 150 Nos), 12.40% (Aug 24,2020: 150) Non Convertible Debentures of Rs 10,00,000/- redeemable in 3 Instalments by September, 2022 (Secured)	-	1,000.00	1,500.00
375 Nos (March 31, 2022 500 Nos), 14.20% (Oct 12,2020: 500) Non Convertible Debentures of Rs 100,000/- redeemable in 2 Instalments by October, 2023 (Secured)	375.00	500.00	500.00
3900 Nos (March 31, 2022 3900 Nos), 12.30% (Mar 31,2021: Nil) Non Convertible Debentures of Rs 1,00,000/- redeemable in 1 Instalment by May 2024 (Secured)	3,900.00	3,900.00	-
150 Nos, (Mar 31,2022: 150 Nos) 12.30% (Mar 25, 2022: 150) Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by March 2025 (Secured)	1,500.00	1,500.00	-
2200 Nos, (Mar 31,2022: 2200 Nos) 12.30% (Aug 20, 2021 : 2200) Non Convertible Debentures of Rs 1,00,000/- redeemable in 1 Instalment by August 2024 (Secured)	2,200.00	2,200.00	-
160 Nos, (Mar 31,2022: Nil) 12.2902% (Sept 26, 2022 : 160) Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by September 2026 (Secured)	1,600.00	-	-
12228 Nos, (Mar 31,2022: Nil) 11.95% (Nov 24, 2022 : 12228) Non Convertible Debentures of Rs 10,000/- redeemable in 1st Instalment by November 2025 & in 2nd installment by November 2027 (Secured)	1,222.80	-	-
12228 Nos, (Mar 31,2022: Nil) 11.95% (Nov 24 26, 2022 : 12228) Non Convertible Debentures of Rs 10,000/- redeemable in 1st Instalment by November 2025 & in 2nd installment by November 2027 (Secured)	1,222.80	-	-
320 Nos, (Mar 31,2022: Nil) 12.2902% (Dec 12, 2022 : 320) Non Convertible Debentures of Rs 10,00,000/- redeemable in 1st Instalment by December 2025 (Secured)	3,200.00	-	-
1200 Nos, (Mar 31,2022: Nil) 11.10% (Mar 28, 2022 : 1200) Non Convertible Debentures of Rs 1,00,000/- redeemable in 1st Instalment by March 2025. (Secured)	1,200.00	-	-
1300 Nos, (Mar 31,2022: Nil) 11.10% (Mar 28, 2022 : 1300) Non Convertible Debentures of Rs 1,00,000/- redeemable in 1st Instalment by March 2025. (Secured)	1,300.00	-	-
<b>Total</b>	<b>20,720.60</b>	<b>13,290.67</b>	<b>7,381.33</b>
<b>14. Borrowings (other then Debt securities)</b>			
	<b>As at March 31 2023</b>	<b>As at March 31 2023</b>	<b>As at April 1 2021</b>
At Amortised cost			
(a) Term Loans (Secured)	84,222.52	53,931.05	21,088.77
(i) from banks	23,330.8707	13,164.04	17,318.44
(ii) from other parties (financial institutions)	-	1,268.58	1,268.58
(b) Term Loans (Unsecured)	-	-	1,000.00
(c) Nil (Mar 31, 2021 1,00,00,000) Redeemable Preference Shares of Rs 10 each (issued in Sep 2020) earing coupon dividend rate of 12.00%	-	-	-
<b>Total</b>	<b>1,07,552.78</b>	<b>68,363.67</b>	<b>40,675.78</b>
Borrowings in India	1,07,552.78	68,363.67	40,675.78
Borrowings Outside India	-	-	-
<b>Total</b>	<b>1,07,552.78</b>	<b>68,363.67</b>	<b>40,675.78</b>
<b>15. Subordinated Liabilities</b>			
	<b>As at March 31 2023</b>	<b>As at March 31 2023</b>	<b>As at April 1 2021</b>
At Amortised cost			
(a) Term Loans (Unsecured)	2,000.00	2,000.00	-
(b) Debenture (Unsecured)			
100 Nos (March 22, 2021 100 Nos), 16% (Mar 31,2021: 100) Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by June, 2026 (Unsecured)	1,000.00	1,000.00	1,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>	<b>1,000.00</b>
Subordinated Liabilities in India	3,000.00	3,000.00	1,000.00
Subordinated Liabilities outside India	-	-	-
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>	<b>1,000.00</b>

Details of Debt Securities, borrowing and Subordinated Liabilities			
	Amount in Lakhs	Terms of Redemption/ Repayment	Security
<b>A) Term loans from banks</b>			
Bandhan Bank	1,785.65	Repayable in 24 monthly installment from 01/06/2022 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 14 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
Bandhan Bank	857.14	Repayable in 24 monthly installment from 28/03/2022 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 11 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
Bandhan Bank	666.67	Repayable in 24 monthly installment from 31/05/2022 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 13 Months	Secured by hypothecation of book debts created out of the loan availed
Bank of India	1,437.12	Repayable in 36 monthly installment from 29/10/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 18 Months & 29 Days	Secured by hypothecation of book debts created out of the loan availed
Bank of Maharashtra	1,996.12	Repayable in 36 monthly installment from 30/09/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due : 17 Months & 29 Days	Secured by hypothecation of book debts created out of the loan availed
Canara Bank Ltd	41.39	Repayable in 36 monthly installment from 30/06/2020 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 2 Months & 30 Days	Secured by hypothecation of book debts created out of the loan availed
Capital First Ltd	500.00	Repayable in 72 monthly installment from 08/02/2018 Rate of Interest: Fixed Maturity Period: 6 Years No of Installment due : 10 Months & 01 Day	Secured by hypothecation of book debts created out of the loan availed
Capital First Ltd	125.00		Secured by hypothecation of book debts created out of the loan availed
Capital First Ltd	400.00	Repayable in 72 monthly installment from 21/05/2018 Rate of Interest: Fixed Maturity Period: 6 Years No of Installment due: 13 Months	Secured by hypothecation of book debts created out of the loan availed
Capital First Ltd	33.33		Secured by hypothecation of book debts created out of the loan availed

			Amount in Lakhs	Terms of Redemption/ Repayment	Security
IDBI Bank Ltd	Term loan From Bank-XI	656.25	Repayable in 36 monthly installment from 31/12/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 21 Months	Secured by hypothecation of book debts created out of the loan availed	
Indian Overseas Bank	Term loan From Bank-XII	1,527.43	Repayable in 36 monthly installment from 07/01/2022 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 22 Months	Secured by hypothecation of book debts created out of the loan availed	
DCB Bank	Term loan From Bank-XIII	3,354.10	Repayable in 36 monthly installment from 07/01/2022 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 22 Months	Secured by hypothecation of book debts created out of the loan availed	
Dhan Laxmi Bank	Term loan From Bank-XIV	624.91	Repayable in 27 monthly installment from 18/10/2021 Rate of Interest: Floating Maturity Period: 2.25 Years No of Installment due: 09 Months & 18 Days	Secured by hypothecation of book debts created out of the loan availed	
ESAF Small Finance Bank Ltd	Term loan From Bank-XV	1,911.19	Repayable in 24 monthly installment from 14/11/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 19 Months	Secured by hypothecation of book debts created out of the loan availed	
ESAF Small Finance Bank Ltd	Term loan From Bank-XVI	257.14	Repayable in 36 monthly installment from 31/12/2020 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 09 Months	Secured by hypothecation of book debts created out of the loan availed	
Federal Bank	Term loan From Bank-XVII	937.50	Repayable in 24 monthly installment from 22/10/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 06 Months & 21 Days	Secured by hypothecation of book debts created out of the loan availed	
Federal Bank	Term loan From Bank-XVIII	1,312.50	Repayable in 24 monthly installment from 12/12/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 21 Months	Secured by hypothecation of book debts created out of the loan availed	
Federal Bank	Term loan From Bank-XIX	2,625.00	Repayable in 24 monthly installment from 15/07/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 15 Months & 14 Days	Secured by hypothecation of book debts created out of the loan availed	

			Amount in Lakhs	Terms of Redemption/ Repayment	Security
ICICI Bank Ltd	Term loan From Bank-XX		1,227.27	Repayable in 24 monthly installment from 24/12/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 08 Months & 04 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXI		1,272.73	Repayable in 24 monthly installment from 29/10/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 06 Months & 04 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXII		13.64	Repayable in 24 monthly installment from 30/06/2021 Rate of Interest : Floating Maturity Period : 2 Years No of Installment due : 02 Months& 05 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXIII		681.82	Repayable in 24 monthly installment from 31/08/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 04 Months& 10 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXIV		2,100.00	Repayable in 24 monthly installment from 16/03/2023 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 26 Months & 15 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXV		1,500.00	Repayable in 24 monthly installment from 31/01/2023 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 24 Months& 10 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXVI		340.91	Repayable in 24 monthly installment from 20/06/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 14 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXVII		2,566.67	Repayable in 24 monthly installment from 26/08/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 19 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed
ICICI Bank Ltd	Term loan From Bank-XXVIII		886.36	Repayable in 24 monthly installment from 30/04/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 12 Months& 10 Days	Secured by hypothecation of book debts created out of the loan availed

			Amount in Lakhs	Terms of Redemption/ Repayment	Security
ICICI Bank Ltd	Term loan From Bank-XXIX	1,155.56	Repayable in 24 monthly installment from 29/11/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 22 Months& 10 Days	Secured by hypothecation of book debts created out of the loan availed	
ICICI Bank Ltd	Term loan From Bank-XXX	3,200.00	Repayable in 24 monthly installment from 31/10/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 21 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed	
IDFC Bank	Term loan From Bank-XXXI	4,833.33	Repayable in 30 monthly installment from 01/03/2023 Rate of Interest: Floating Maturity Period: 2.5 Years No of Installment due: 28 Months & 28 Days	Secured by hypothecation of book debts created out of the loan availed	
IDFC Bank	Term loan From Bank-XXXII	2,416.67	Repayable in 30 monthly installment from 21/03/2023 Rate of Interest: Floating Maturity Period: 2.5 Years No of Installment due: 28 Months & 21 Days	Secured by hypothecation of book debts created out of the loan availed	
IDFC Bank	Term loan From Bank-XXXIII	857.14	Repayable in 24 monthly installment from 29/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 11 Months & 26 Days	Secured by hypothecation of book debts created out of the loan availed	
Indian Bank	Term loan From Bank-XXXIV	1,101.12	Repayable in 36 monthly installment from 29/09/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 17 Months & 15 Days	Secured by hypothecation of book debts created out of the loan availed	
Indian Overseas Bank	Term loan From Bank-XXXV	601.36	Repayable in 36 monthly installment from 26/02/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 09 Months & 26 Days	Secured by hypothecation of book debts created out of the loan availed	
Indian Overseas bank	Term loan From Bank-XXXVI	2,418.92	Repayable in 28 monthly installment from 31/01/2023 Rate of Interest: Fixed Maturity Period: 2.33 Years No of Installment due: 24 Months& 26 Days Repayable in 28 monthly installment from 28/02/2023 Rate of Interest: Fixed Maturity Period: 2.33 Years No of Installment due: 24 Months& 26 Days	Secured by hypothecation of book debts created out of the loan availed	

		Amount in Lakhs	Terms of Redemption/ Repayment	Security
Kotak Mahindra Bank	Term loan From Bank-XXXVII	1,500.00	Repayable in 27 monthly installment from 14/12/2021 Rate of Interest: Floating Maturity Period: 2.25 Years No of Installment due : 11 Months & 08 Days	Secured by hypothecation of book debts created out of the loan availed
Kotak Mahindra Bank	Term loan From Bank-XXXVIII	800.00	Repayable in 24 monthly installment from 16/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due : 23 Months & 13 Days	Secured by hypothecation of book debts created out of the loan availed
Kotak Mahindra Bank	Term loan From Bank-XXXIX	2,083.33	Repayable in 24 monthly installment from 21/11/2022 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 19 Months & 21 Days	Secured by hypothecation of book debts created out of the loan availed
State Bank of India	Term loan From Bank-XL	2,318.75	Repayable in 36 monthly installment from 09/08/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 14 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
State Bank of India	Term loan From Bank-XLI	18,498.45	Repayable in 27 monthly installment from 30/11/2022 Rate of Interest: Floating Maturity Period: 2.25 Years No of Installment due: 14 Months & 1 Day Repayable in 26 Monthly Installment from: 31/12/2022 Rate of interest: Floating Maturity period: 2.17 Months No of installment due 21 Months & 15 Days Repayable in 24 Monthly installment from 01/02/2023 Rate of interest: Floating Maturity period: 2 Years No of installment due: 21 Months & 15 Days	Secured by hypothecation of book debts created out of the loan availed
SBM Bank	Term loan From Bank-XLII	500.00	Repayable in 24 monthly installment from 16/03/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 11 Months & 14 Days	Secured by hypothecation of book debts created out of the loan availed
SBM Bank	Term loan From Bank-XLIII	1,187.50	Repayable in 24 monthly installment from 27/10/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 18 Months & 26 Days	Secured by hypothecation of book debts created out of the loan availed
Small Industries Development Bank of India	Term loan From Bank-XLIV	3,080.00	Repayable in 36 monthly installment from 01/02/2022 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due : 21 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed



		Amount in Lakhs	Terms of Redemption/ Repayment	Security
Ujjivan Small Finance Bank	Term loan From Bank-XLV	1,250.00	Repayable in 24 monthly installment from 30/11/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 19 Months & 30 Days	Secured by hypothecation of book debts created out of the loan availed
Union Bank Of India	Term loan From Bank-XLVI	772.01	Repayable in 36 monthly installment from 30/09/2021 Rate of Interest: Floating Maturity Period: 3 Years No of Installment due: 17 Months	Secured by hypothecation of book debts created out of the loan availed
Yes Bank	Term loan From Bank-XLVII	5,004.97	Repayable in 24 monthly installment from 28/03/2023 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 23 Months& 25 Days	Secured by hypothecation of book debts created out of the loan availed
<b>Total From Banks - (A)</b>		<b>85,216.94</b>		
<b>B) Term loans from NBFCs</b>				
Mas Financial Services Ltd	Term Loan From NBFC-I	125.00	Repayable in 24 monthly installment from 30/06/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 02 Months & 23 Days	Secured by hypothecation of book debts created out of the loan availed
Mas Financial Services Ltd	Term Loan From NBFC-II	250.00	Repayable in 24 monthly installment from 24/09/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 05 Months & 25 Days	Secured by hypothecation of book debts created out of the loan availed
Mas Financial Services Ltd	Term Loan From NBFC-III	125.00	Repayable in 24 monthly installment from 01/10/2021 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 05 Months & 25 Days	Secured by hypothecation of book debts created out of the loan availed
Cholamandalam Investment & Finance	Term Loan From NBFC-IV	739.13	Repayable in 18 monthly installment from 19/09/2022 Rate of Interest: Floating Maturity Period: 1.5 Years No of Installment due: 12 Months & 01 Day	Secured by hypothecation of book debts created out of the loan availed
Credit Saison Co. ltrd	Term Loan From NBFC-V	1,750.00	Repayable in 24 monthly installment from 04/01/2023 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 20 Months & 14 Days	Secured by hypothecation of book debts created out of the loan availed

		Amount in Lakhs	Terms of Redemption/ Repayment	Security
Hinduja Leyland Finance	Term Loan From NBFC-VI	1,389.91	Repayable in 24 monthly installment from 29/07/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due : 15 Months & 27 Days	Secured by hypothecation of book debts created out of the loan availed
Incred Financial Services Ltd	Term Loan From NBFC-VII	231.05	Repayable in 24 monthly installment from 31/07/2021 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 04 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed
Incred Financial Services Ltd	Term Loan From NBFC-VIII	660.58	Repayable in 24 monthly installment from 11/08/2022 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 16 Months & 10 Days	Secured by hypothecation of book debts created out of the loan availed
Kissandhan Agri Financial Services Pvt. Ltd,	Term Loan From NBFC-IX	1,000.00	Repayable in 24 monthly installment from 16/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 23 Months & 13 Days	Secured by hypothecation of book debts created out of the loan availed
Maanaveyya Development & Finance	Term Loan From NBFC-X	374.95	Repayable in 24 monthly installment from 04/12/2021 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 08 Months & 3 Days	Secured by hypothecation of book debts created out of the loan availed
Manappuram Finance Ltd.	Term Loan From NBFC-XI	2,500.00	Repayable in 24 monthly installment from 30/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 23 Months & 27 Days	Secured by hypothecation of book debts created out of the loan availed
National Bank for Agriculture and Rural Development (NABARD)	Term Loan From NBFC-XII	900.00	Repayable in 18 monthly installment from 20/12/2021 Rate of Interest: Floating Maturity Period: 1.5 Years No of Installment due: 30 Days	Secured by hypothecation of book debts created out of the loan availed
Nabkisan Finance Ltd	Term Loan From NBFC-XIII	184.49	Repayable in 51 monthly installment from 07/02/2019 Rate of Interest: Fixed Maturity Period: 4.25 Years No of Installment due: 4 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
Nabkisan Finance Ltd	Term Loan From NBFC-XIV	249.40	Repayable in 36 monthly installment from 31/10/2021 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 6 Months	Secured by hypothecation of book debts created out of the loan availed

			Amount in Lakhs	Terms of Redemption/ Repayment	Security
Nabsamruddhi Finance Ltd	Term Loan From NBFC-XV	1,754.83	Repayable in 36 monthly installment from 25/01/2022 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due : 22 Months	Secured by hypothecation of book debts created out of the loan availed	
Northern Arc Capital Ltd	Term Loan From NBFC-XVI	1,395.30	Repayable in 24 monthly installment from 14/07/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 15 Months & 14 Days	Secured by hypothecation of book debts created out of the loan availed	
Northern Arc Capital Ltd	Term Loan From NBFC-XVII	1,568.06	Repayable in 24 monthly installment from 24/08/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 17 Months & 16 Days	Secured by hypothecation of book debts created out of the loan availed	
Maanaveeya Development & Finance Pvt Ltd (oiko)	Term Loan From NBFC-XVIII	2,500.00	Repayable in 24 monthly installment from 27/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 23 Months & 24 Days	Secured by hypothecation of book debts created out of the loan availed	
Piramal Enterprise Ltd	Term Loan From NBFC-XIX	3,000.00	Repayable in 24 monthly installment from 29/03/2023 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 23 Months & 26 Days	Secured by hypothecation of book debts created out of the loan availed	
Shriram Finance Limited	Term Loan From NBFC-XX	1,000.00	Repayable in 24 monthly installment from 30/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 23 Months & 27 Days	Secured by hypothecation of book debts created out of the loan availed	
Tata Capital	Term Loan From NBFC-XXI	965.91	Repayable in 24 monthly installment from 30/08/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 14 Months & 15 Days	Secured by hypothecation of book debts created out of the loan availed	
Vivriti Capital Pvt Ltd	Term Loan From NBFC-XXII	666.67	Repayable in 24 monthly installment from 05/07/2022 Rate of Interest: Floating Maturity Period: 2 Years No of Installment due: 15 Months & 04 Days	Secured by hypothecation of book debts created out of the loan availed	
Maanaveeya Development & Finance Pvt Ltd (oiko)	Term Loan From NBFC-XXIII	2,000.00		Secured by hypothecation of book debts created out of the loan availed	
<b>Total From Others - (B)</b>		<b>25,330.27</b>			

		Amount in Lakhs	Terms of Redemption/ Repayment	Security
<b>C) Non Convertible Debenture</b>				
Aviator Emerging Market Fund	NCD-I	375.00	Repayable in 36 monthly installment from 12/10/2020 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 06 Months & 11 Days	Secured by hypothecation of book debts created out of the loan availed
Incofin India Investment Management Pvt Ltd	NCD-II	3,900.00	Repayable in 36 monthly installment from 06/05/2021 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 13 Months & 05 Days	Secured by hypothecation of book debts created out of the loan availed
Incofin India Investment Management Pvt Ltd	NCD-III	2,200.00	Repayable in 36 monthly installment from 20/08/2021 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 16 Months & 20 Days	
Incofin India Investment Management Pvt Ltd	NCD-IV	1,500.00	Repayable in 36 monthly installment from 25/03/2022 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due : 23 Months & 22 Days	
JAPAN ASEAN WOMEN EMPOWERMENT FUND SA, SICAV-SIF	NCD-V	1,600.00	Repayable in 36 monthly installment from 26/09/2022 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 41 Months & 25 Days	
Yubi Invest	NCD-VI	2,500.00	Repayable in 24 monthly installment from 28/03/2023 Rate of Interest: Fixed Maturity Period: 2 Years No of Installment due: 23 Months & 18 Days	Secured by hypothecation of book debts created out of the loan availed
MICROFINANCE INITIATIVE FOR ASIA (MIFA) DEBT FUND SA, SICAV-SIF	NCD-VII	3,200.00	Repayable in 36 monthly installment from 12/12/2022 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due: 32 Months & 11 Days	Secured by hypothecation of book debts created out of the loan availed
Northern Arc Capital Ltd	NCD-VIII	1,000.00		Secured by hypothecation of book debts created out of the loan availed
State Bank of India	NCD-IX	3,000.00	Repayable in 36 monthly installment from 11/08/2020 Rate of Interest: Fixed Maturity Period: 3 Years No of Installment due : 21 Days	

		Amount in Lakhs	Terms of Redemption/ Repayment	Security
Symbiotics	NCD-X	1,222.80	Repayable in 60 monthly installment from 24/11/2022 Rate of Interest: Fixed Maturity Period: 5 Years No of Installment due: 55 Months & 24 Days	Secured by hypothecation of book debts created out of the loan availed
Symbiotics	NCD-XI	1,222.80	Repayable in 60 monthly installment from 24/11/2022 Rate of Interest: Fixed Maturity Period: 5 Years No of Installment due: 55 Months & 24 Days	Secured by hypothecation of book debts created out of the loan availed
<b>Total Non Convertible Debentures (C)</b>		<b>21,720.60</b>		
<b>TOTAL (A+B+C)</b>		<b>1,32,267.80</b>		

Note : Above total borrowing of Rs. 1,32,267.80 lakhs includes Rs.6,680.37 lakhs for which the personal guarantee has been given by Deepak Amin.

**LIGHT MICROFINANCE PVT LTD**

**Notes to financial statements for the year ended March 31, 2023**

	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
<b>16. Other financial liabilities</b>			
Interest Accrued But Not Due on Borrowings	750.95	492.08	141.53
Dues to the assignees towards collections from assigned receivables	3,895.63	1,415.07	610.61
Joint Liability Group Loans placed as collateral towards securitization transaction	1,100.89	-	-
Other Payable	168.15	46.72	145.95
<b>Total</b>	<b>5,915.63</b>	<b>1,953.87</b>	<b>898.09</b>
<b>17. Provisions</b>			
Provision for gratuity	80.91	49.39	-
Provision for compensated absences	136.84	54.74	-
Provision for fraud	12.41	6.04	2.29
<b>Total</b>	<b>230.17</b>	<b>110.17</b>	<b>2.29</b>
<b>18. Other non Financial liabilities</b>			
Employee Benefits Payable	446.49	325.09	254.21
Statutory Dues Payable	278.53	141.04	105.31
Unearned income on assigned loans	2,686.30	2,046.14	378.97
<b>Total</b>	<b>3,411.31</b>	<b>2,512.26</b>	<b>738.49</b>

**LIGHT MICROFINANCE PVT LTD**

**Notes to financial statements for the year ended March 31, 2023**

*(Amount in lakhs)*

19. Share Capital	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021			
<b>Authorised Share Capital</b>						
<b>Equity Share</b> 6,31,80,000 (March 31, 2022 7,25,00,000) Equity Shares of Rs 10 each	6,318.00	7,250.00	5,250.00			
<b>Preference Share</b> 2,13,20,000 (March 31, 2022 8,20,00,000) Preference Share of Rs 10 each	2,132.00	8,200.00	-			
3,50,00,000 (March 31, 2022 Nil) Preference Share of Rs 20 each	7,000.00	-	-			
<b>Compulsory Convertible Preference Share</b> 3,70,00,000 (Mar 31, 2020 2,70,00,000) Preference Share of Rs 10 each	-	-	3,700.00			
<b>Total Authorised Share Capital</b>	<b>15,450.00</b>	<b>15,450.00</b>	<b>8,950.00</b>			
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>						
<b>Equity Share</b> 2,50,50,009 (Mar 31, 2022; 2,50,49,999) Equity Shares of Rs 10 each	2,505.00	2,505.00				
<b>Compulsory Convertible Preference Share</b> 82,65,801 (Mar 31, 2022 82,65,801) Compulsory Convertible Preference Shares (CCPS Series A) of Rs 10 each bearing coupon dividend rate of 0.001%	826.58	826.58	826.58			
1,25,61,572 (Mar 31, 2022 1,25,61,572) Compulsory Convertible Preference Shares (CCPS Series A1) of Rs 10 each bearing coupon dividend rate of 0.001%	1,256.16	1,256.16	-			
3,09,59,699 (Mar 31, 2022 Nil) Compulsory Convertible Preference Shares (CCPS Series B) of Rs 20 each bearing coupon dividend rate of 0.001%	6,191.94	-	-			
<b>Total Paid up Share Capital</b>	<b>10,779.68</b>	<b>4,587.74</b>	<b>3,331.58</b>			
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>						
<b>(a) (i) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the year</b>						
	As at March 31, 2023		As at March 31, 2022		As at April 1 2021	
	No. of Shares	Rs	No. of Shares	Rs	No. of Shares	Rs
At the beginning of the Period	2,50,49,999	2,505.00	2,50,49,999	2,505.00	2,50,49,999	2,505.00
Issued During the Period	10	0.00	-	-	-	-
<b>Outstanding at the end of the Period</b>	<b>2,50,50,009</b>	<b>2,505.00</b>	<b>2,50,49,999</b>	<b>2,505.00</b>	<b>2,50,49,999</b>	<b>2,505.00</b>
<b>(a) (ii) Reconciliation of the number of Compulsory Convertible Preference shares and amount outstanding at the beginning and at the end of the year</b>						
	As at March 31 2023		As at March 31, 2022		As at April 1 2021	
	No. of Shares	Rs	No. of Shares	Rs	No. of Shares	Rs
At the beginning of the Period	2,08,27,373	2,082.74	82,65,801	826.58	82,65,801	826.58
Issued During the Period	3,09,59,699	6,191.94	1,25,61,572	1,256.16	-	-
<b>Outstanding at the end of the Period</b>	<b>5,17,87,072</b>	<b>8,274.68</b>	<b>2,08,27,373</b>	<b>2,082.74</b>	<b>82,65,801</b>	<b>826.58</b>

**LIGHT MICROFINANCE PVT LTD**  
**Notes to financial statements for the year ended March 31, 2023**

**(b) Details of Shareholders holding more than 5% shares:**

Class of shares/Name of shareholder	As at March 31 2023		As at March 31, 2022		As at April 1 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of Rs.10 each fully paid</b>						
Deepak I. Amin	1,28,99,999	51.50%	1,28,99,999	51.50%	1,28,99,999	51.50%
Kaushik I. Amin	58,88,065	23.51%	58,88,065	23.51%	58,88,065	23.51%
VAR K NAL Holdings Inc.	55,31,935	22.08%	55,31,935	22.08%	55,31,935	22.08%
<b>Compulsory Convertible preference shares (CCPS Series A) of Rs.10 each fully paid</b>						
NMI Fund IV KS	27,55,267	5.32%	27,55,267	13.23%	27,55,267	13.23%
Pettelaar Effectenbewaardbedrijf N.V.	27,55,267	5.32%	27,55,267	13.23%	27,55,267	13.23%
Agrif Cooperatief UA	27,55,267	5.32%	27,55,267	13.23%	27,55,267	13.23%
<b>Compulsory Convertible preference shares (CCPS Series A1) of Rs.10 each fully paid</b>						
NMI Fund IV KS	54,91,579	10.60%	54,91,579	26.37%	-	-
Pettelaar Effectenbewaardbedrijf N.V.	35,30,630	6.82%	35,30,630	16.95%	-	-
Agrif Cooperatief UA	35,39,363	6.83%	35,39,363	16.99%	-	-
<b>Compulsory Convertible preference shares (CCPS Series B) of Rs.20 each fully paid</b>						
British International Investment plc	1,16,28,999	22.46%	-	-	-	-
NMI Fund IV KS	99,85,780	19.28%	-	-	-	-
Pettelaar Effectenbewaardbedrijf N.V.	68,25,723	13.18%	-	-	-	-

**(c) Details of Shareholding of Promoters**

Class of shares / Name of shareholder	As at March 31 2023		
	Number of shares held	% holding in that class of shares	% change during the year
<b>Equity shares of Rs.10 each fully paid</b>			
Deepak I. Amin	1,28,99,999	51.50%	0.00%
<b>Equity shares of Rs.10 each fully paid</b>			
Deepak I. Amin	1,28,99,999	51.50%	0.00%

**(d) Compulsory Convertible Preference shares Conversion Terms :**

Types of Shares	Conversion ratio	Conversion period
<b>CCPS Series A</b>	8 Equity shares against 10 CCPS each	At the demand of CCPS holder subject to Reserve Bank of India Approval. The conversion should be done within 20 years from the date of allotment.



CCPS Series A1	1 Equity shares against 1 CCPS each	At the demand of CCPS holder subject to Reserve Bank of India Approval. The conversion should be done within 20 years from the date of allotment.
CCPS Series B	1 Equity shares against 1 CCPS each	At the demand of CCPS holder subject to Reserve Bank of India Approval. The conversion should be done within 20 years from the date of allotment.
(e) The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs 10/-. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend as and when declared. All shares rank equally with regard to the Company's residual assets.		

20. Other equity	As at March 31 2023	As at March 31 2022	As at April 1 2021
<b>Statutory Reserve</b>			
Balance as per the beginning of the year	547.60	439.09	184.51
Add: Amount Transferred from balance in the statement of profit and loss u/s 45 IC of Reserve Bank of India Act, 1934	533.53	108.52	254.58
<b>Closing Balance</b>	<b>1,081.14</b>	<b>547.60</b>	<b>439.09</b>
<b>Security Premium</b>			
Balance as per the last financial statements	5,531.65	2,141.70	2,283.48
Add: Security Premium received	13,402.46	3,479.56	-
Less: Security Premium utilized under section 52 of The Companies Act, 2013	358.16	89.61	141.78
<b>Closing Balance</b>	<b>18,575.95</b>	<b>5,531.65</b>	<b>2,141.70</b>
<b>Share Options Outstanding Account</b>			
Balance as per the beginning of the year	77.25	-	-
Add: Reserve added during the year Option Granted	90.61	77.25	-
<b>Closing Balance</b>	<b>167.86</b>	<b>77.25</b>	<b>-</b>
<b>Surplus</b>			
Surplus at the beginning of the year	(753.55)	537.10	537.10
Add: Surplus for the period	2,667.67	(1,092.38)	-
Less: Dividend Paid on Redeemable Preference Shares	-	(89.75)	-
Less: Transfer to Statutory Reserves u/s 45 IC of Reserve Bank of India Act, 1934	(533.53)	(108.52)	-
<b>Closing Balance</b>	<b>1,380.59</b>	<b>(753.55)</b>	<b>537.10</b>
<b>Total Reserves and Surplus</b>	<b>21,205.54</b>	<b>5,402.96</b>	<b>3,117.89</b>
<b>Nature and purpose of reserve</b>			
<b>Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)</b>			
Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.			
<b>Securities premium</b>			
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013			
<b>Share option outstanding account</b>			
The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.			
<b>Retained earnings</b>			
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.			

**LIGHT MICROFINANCE PVT LTD**

**Notes to financial statements for the year ended March 31, 2023**

(Amount in lakhs)

<b>21. Interest income</b>	<b>2022-23</b>	<b>2021-22</b>
On Financial assets held at Amortised Cost Interest Income on Loans	24,346.42	13,833.78
<b>Total</b>	<b>24,346.42</b>	<b>13,833.78</b>
<b>22. Other operating income</b>	<b>2022-23</b>	<b>2021-22</b>
On Financial assets held at Amortised Cost Income on securitization transaction	123.34	107.84
On Financial assets held at Amortised Cost Interest on assignment transaction	3,219.37	1,237.53
Fees & Commission Income	660.52	860.59
Interest on deposits with banks	235.25	183.51
<b>Total</b>	<b>4,238.48</b>	<b>2,389.46</b>
<b>23. Other income</b>	<b>2022-23</b>	<b>2021-22</b>
Unrealised gain on investment in SR	251.28	-
Profit on sale of mutual fund units		
Realised	232.95	96.27
Unrealised	12.47	-
Profit on sale of fixed assets	0.81	0.14
Miscellaneous Income	16.56	11.66
<b>Total</b>	<b>514.06</b>	<b>108.07</b>
<b>24. Finance cost</b>	<b>2022-23</b>	<b>2021-22</b>
On Financial liabilities held at Amortised Cost		
Interest on debt securities	1,783.91	1,614.88
Interest on Borrowings	9,066.60	5,769.60
Interest on subordinate liabilities	338.40	218.78
Other interest expenses	-	0.50
Lease liability interest obligation	66.40	60.99
Other charges	94.45	22.27
<b>Total</b>	<b>11,349.76</b>	<b>7,687.02</b>

<b>LIGHT MICROFINANCE PVT LTD</b>		
<b>Notes to financial statements for the year ended March 31, 2023</b>		
		<i>(Amount in lakhs)</i>
<b>25. Impairment of financial instruments</b>	<b>2022-23</b>	<b>2021-22</b>
Impairment/(Reversal) of Impairment on Financial Instruments	(2,073.24)	1,773.36
Net loss on derecognition of financial instruments under amortised cost category	5,173.01	-
<b>Total</b>	<b>3,099.77</b>	<b>1,773.36</b>
<b>26. Employee Benefit Expense</b>	<b>2022-23</b>	<b>2021-22</b>
Salaries and wages	6,869.99	4,848.74
Contribution to provident and other funds	650.88	543.37
Expense On Employee Stock Option Scheme (ESOP)	65.54	11.20
Staff Welfare Expenses	289.32	179.23
<b>Total</b>	<b>7,875.73</b>	<b>5,582.54</b>
<b>27. Depreciation &amp; Amortization Expenses</b>	<b>2022-23</b>	<b>2021-22</b>
On Property, plant and equipment	200.32	204.39
On Intangible assets	52.80	25.75
On Right of use assets	137.31	299.55
<b>Total</b>	<b>390.43</b>	<b>529.68</b>
<b>28. Other Expenses</b>	<b>2022-23</b>	<b>2021-22</b>
Advertisement Expenses	5.45	9.95
Communication Expenses	119.61	71.47
Conveyance Expenses	1,089.06	658.39
Corporate Social Responsibility Expenses	18.36	15.65
Electricity Expenses	42.43	31.24
Insurance Expenses	6.81	6.54
Office Expenses	217.29	109.65
Legal Expenses	7.05	3.44
Postage & Courier	53.97	43.70
Professional Fees	954.19	399.33
Rent Expenses	5.79	422.31
Repairs & Maintenance Expenses	74.80	27.28
Rates and Taxes	251.11	151.30
Stationery and Printing Expenses	97.02	40.73
Travelling Expenses	1.59	0.75
Payment to Auditors (as per note below)	25.77	16.27
Director Sitting Fees	7.50	5.20
Provision Against Fraud occurred during the year	6.37	3.76
Miscellaneous Expenses	154.26	79.60
<b>Total</b>	<b>3,138.43</b>	<b>2,096.54</b>
<b>Breakup of Payments to Auditors</b>		
<b>Payment to Auditors:</b>	<b>2022-23</b>	<b>2021-22</b>
Statutory Audit Fee	17.80	12.00
Tax Audit Fee	2.00	1.50
Out of Pocket	4.36	2.51
Certification & Other matters	1.62	0.26
<b>Total</b>	<b>25.77</b>	<b>16.27</b>

**NOTE 29: NOTES TO ACCOUNTS****A. Tax expenses***(Rupees in lakhs)*

<b>Income tax recognised in the Statement of Profit and Loss:</b>	<b>2022-23</b>	<b>2021-22</b>
Current tax	271.44	242.22
Deferred tax (credit)	338.83	(571.82)
Tax expense of earlier years	(51.86)	1.48
<b>Total</b>	<b>558.41</b>	<b>(328.12)</b>

*(Rupees in lakhs)*

<b>Income tax recognised in other comprehensive income</b>	<b>2022-23</b>	<b>2021-22</b>
Deferred tax arising on re-measurement gain on defined benefit plans	6.31	(16.62)
<b>Total</b>	<b>6.31</b>	<b>(16.62)</b>

*(Rupees in lakhs)*

<b>Reconciliation of income tax expense and the accounting profit for the year:</b>	<b>2022-23</b>	<b>2021-22</b>
Profit/ (loss) before tax	3,244.83	(1,337.82)
Enacted tax rates (%)	25.17%	25.17%
Income tax expense calculated at corporate tax rate	816.66	(336.70)
Reconciliation items		
Tax impact of expenses not deductible	(427.71)	630.75
NCD Expenses deductible	44.71	4.68
Impact on account of deductions claimed under Income Tax Act	(162.22)	(56.50)
Others – Deferred Tax	332.52	(555.19)
	<b>603.95</b>	<b>(312.97)</b>

**B. Earnings per Share***(Rupees in lakhs)*

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
(a) Net profit after tax as per Statement of Profit and Loss	2,686.43	(1,009.70)
(b) Weighted average number of equity shares for basic EPS	250.50	250.50
(c) Weighted average number of equity shares for diluted EPS	762.06	449.31
(d) Basic Earnings per Share (in rupees) (a/b)	10.72	(4.03)
(e) Diluted Earnings per Share (in rupees) (a/c)	3.53	(4.03)

**C. Segment Reporting**

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 on 'Operating segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company operates in a single geographical segment i.e. domestic.

#### D. Lease

The Company has entered into agreements for taking its office premises under lease and license arrangements. The carrying amounts of right-of-use of assets recognised and the movements during the period are as follows:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Balance at the beginning of the year	382.81	510.27
Modification in Lease term		
Additions made during the year	242.77	172.09
Depreciation charged during the year	137.31	299.55
Balance at the end of the year	488.27	382.81

The carrying amounts of lease liabilities and the movements during the period are as follows:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Balance at the beginning of the period	743.34	510.27
Modification in Lease term		
Additions made during the year	170.19	172.08
Interest accretion for the year	66.40	60.99
Payments made during the year	421.16	-
Balance at the end of the year	558.77	743.34

Total lease liabilities are analysed as follows:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Current	143.92	193.27
Non-Current	414.85	550.07
<b>Total</b>	<b>558.77</b>	<b>743.34</b>

The followings are the amounts recognised in profit and loss:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Depreciation expense in respect of right-of-use-of-asset	137.31	299.55
Interest Expense in respect of lease liabilities	66.40	60.99
Total amount recognised in profit and loss	203.71	360.54

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could be different from expectations:

(Rupees in lakhs)

Maturity Analysis	2022-23	2021-22
Less than 1 year	143.92	193.27
Between 1 and 2 years	160.70	175.82
Between 2 and 5 years	254.15	374.25
<b>Total</b>	<b>558.77</b>	<b>743.34</b>

## E. Related Party Disclosures

Names of related parties under Ind AS 24 with whom transactions have taken place during the year

Sr. No.	Name	Relationship
1	Mr. Deepak Amin	Managing Director
2	Mr. Rakesh Kumar	CEO and Executive Director
3	Mr. Aviral Saini	CFO and Executive Director
4	Mr. Chandan Sinha (from May 20, 2021)	Independent Director
5	Mr Anuj Kumar	Independent Director
6	Mr. Parveen Kumar Gupta (from February 11, 2022)	Independent Director
7	Mr. Mukesh Shah (upto October 6, 2021)	Independent Director
8	Mr. Aditya Bhandari (from September 2, 2022)	Nominee Director
9	Mr. Thomas Klungsøyr (from September 2, 2022)	Nominee Director
10	Ms. Madhavi Gajjar	Company Secretary

## Transactions with related parties

Related party	Nature of Transactions	Transactions		(Payable)/Receivables	
		2022-23	2021-22	March 31, 2023	March 31, 2022
Mr. Chandan Sinha	Sitting Fees	2.90	1.30	Nil	Nil
Mr Anuj Kumar	Sitting Fees	1.45	2.65	Nil	Nil
Mr. Parveen Kumar Gupta	Sitting Fees	3.15	Nil	Nil	Nil
Mr. Mukesh Shah	Sitting Fees	Nil	1.25	Nil	Nil
Mr. Deepak Amin	Salary + Incentive	183.00	80.00	Nil	Nil
Mr. Rakesh Kumar	Salary + Incentive	164.50	80.00	Nil	Nil
Mr. Aviral Saini	Salary + Incentive	137.00	70.00	Nil	Nil
Ms. Madhavi Gajjar	Salary + Incentive	8.93	6.00	Nil	Nil

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

## F. Revenue from Contracts with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(Rupees in lakhs)

Particulars	31 March 2023	31 March 2022
<b>Type of Income</b>		
Others	660.52	860.59
<b>Total revenue from contracts with customers</b>	<b>660.52</b>	<b>860.59</b>
<b>Geographical markets</b>		
India	660.52	860.59
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>660.52</b>	<b>860.59</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	660.52	860.59
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>660.52</b>	<b>860.59</b>

## G. Contingent Liabilities & Capital commitments

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Performance Security provided by the Company pursuant to business Correspondent / service provider agreement	Nil	499.79
Cash collateral given and outstanding for the assigned Loans	Nil	115.99
<b>Claims against the Company not acknowledged as debt:</b>		
-Tax matter in dispute under appeal	Nil	Nil

The Company does not have any outstanding commitments.

## H. Capital Management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time.

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022*
Debts	1,31,273.38	85,329.34
Total equity	31,985.22	12,723.71
Debt to equity ratio	4.10	6.71

\* as per IGAAP

The Liquidity Coverage Ratio (LCR) is not applicable to the Company as the asset size of the Company is less than Rupees 5,00,000 lakhs.

## I. Retirement benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under tier

### (i) Defined Contribution Plans

#### Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

(Rupees in lakhs)

Particulars	2022-23	2021-22
Employers' contribution to provident and other fund	650.88	543.37

### (ii) Defined Benefit Plan

#### Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the Balance Sheet for the gratuity plan.

**Movement in Defined Benefit Obligations***(Rupees in lakhs)*

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligations as at the beginning of Year	114.88	44.98
Current Service Cost	15.07	5.10
Interest on defined benefit obligations	5.19	1.74
Re-measurements - Actuarial (Gain)/Loss on total Liabilities	25.52	65.03
Benefits paid	(3.77)	(1.95)
<b>Defined benefit obligations as at the end of Year</b>	<b>156.90</b>	<b>114.88</b>

**Balance Sheet****Amount recognised in balance sheet***(Rupees in lakhs)*

Particulars	March 31, 2023	March 31, 2022
Present Value of Benefit Obligation at the end of the Period	(156.90)	(114.88)
Fair value of plan assets at the end of the period	75.99	65.49
Funded Status (Surplus/ (Deficit))	(80.91)	(49.39)
<b>Net defined benefit liability recognised in balance sheet</b>	<b>(80.91)</b>	<b>(49.39)</b>

**Expense charged to the statement of profit and loss***(Rupees in lakhs)*

Particulars	March 31, 2023	March 31, 2022
Current service cost	15.07	5.10
Net Interest Cost	2.25	(0.27)
Expenses Recognized	17.32	4.83

**Re-measurement (gain)/loss in other comprehensive income***(Rupees in lakhs)*

Particulars	March 31, 2023	March 31, 2022
Actuarial (Gains)/Losses on Obligation For the Period	25.52	65.03
Return on Plan Assets, Excluding Interest Income	(0.45)	1.03
Change in Asset Ceiling	Nil	Nil
Net (Income)/Expense For the Period Recognized in OCI	25.07	66.05

**Summary of Actuarial Assumptions***(Rupees in lakhs)*

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.29%	4.56%
Rate of Increase in compensation levels	7.00%	7.00%
Retirement age (years)	60 years	60 years



**A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:**

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Defined Benefit Obligation on Current Assumptions	156.90	114.88
Delta Effect of +1% Change in Rate of Discounting	(1.82)	(1.49)
Delta Effect of -1% Change in Rate of Discounting	1.90	1.55
Delta Effect of +1% Change in Rate of Salary Increase	1.44	1.13
Delta Effect of -1% Change in Rate of Salary Increase	(1.41)	(1.14)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.92)	(0.94)
Delta Effect of -1% Change in Rate of Employee Turnover	0.95	0.96

**Maturity Profile of Defined Benefit Obligation**

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
1st Following Year	66.25	45.61
2nd Following Year	66.25	45.61
3rd Following Year	25.30	19.45
4th Following Year	17.60	11.61
5th Following Year	9.99	8.30
Sum of years 6 to 10	10.53	7.63
After 11 years and above	0.45	0.32

**Discount rate:** The discount rate is based on government bond yields as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimate of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

**J. Micro, Small and Medium Enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with the management relied upon by the auditors, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

On the basis of such information, no interest is payable to any micro, small and medium enterprises.

(Rupees in lakhs)

	2022-23	2021-22
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year;	137.01	0.90
(b) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

## K. Risk Management & financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to its success. The Company's activities are exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company continuously identifies potential risks in advance, analyzes them and takes precautionary steps to reduce/curb the risk. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company assumes following risks (i.e. Credit risk, Liquidity risk, Market risk and Operation risk) in the normal course of business.

### • Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk.

The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet the company's criteria.

The Company is a rural focused NBFC with a geographically diversified presence in India and offers income generation loans under the joint liability group model, predominantly to women from low-income households in rural areas. Further, as it focuses on providing micro-loans in rural areas, The Company's results of operations are affected by the performance and the future growth potential of microfinance in rural India. The Company's clients typically have limited sources of income, savings and credit histories and the loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Loans	1,43,532.99	80,191.26
Trade receivable	91.67	88.64
Other Financial Assets	6,539.13	3,821.97

### • Liquidity Risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company consistently forecasts cash flows and accordingly generates sufficient cash flows to meet its financial obligations as and when they fall due. The Company has obtained funding lines from multiple sources, including from borrowings, debt securities, subordinated liabilities to maintain a healthy mix of sources. The Company also manages liquidity by raising funds through Securitisation / assignment transactions.

The maturity schedule for all financial liabilities is regularly reviewed and monitored. Company has an Asset Liability Management (ALM) policy and has constituted an ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement.

### Maturity pattern of Liabilities as on March 31, 2023

(Rupees in lakhs)

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Total
Borrowing*	6,170.22	5,438.92	8,750.58	16,652.77	30,316.90	56,843.99	7,100.00	1,31,273.38

\*Borrowing includes debt securities and subordinated liabilities

Maturity pattern of Liabilities as on March 31, 2022

(Rupees in lakhs)

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Total
Borrowing*	2,778.78	2,786.89	3,183.56	12,166	22,929.59	36,309.51	4,500.00	84,654.33

\*Borrowing includes debt securities and subordinated liabilities

• **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return. The Company is exposed to following types of market risks:

- 1. Interest rate risk:** Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. The Company's ALM Committee evaluates the maturities of assets and liabilities and ensures that all significant mismatches, if any, are being managed appropriately. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.
- 2. Price risk:** The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

• **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The company recognises that operational risk event types that have the potential to result in substantial losses includes Internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**L. Transfer of Financial Assets**

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets. In accordance with the accounting policy, the transferred financial assets continue to be recognised or derecognised as per the conditions specified in Ind AS 109 " Financial Instruments".

**Securitisation Transaction:**

During the period, the Company has entered into securitisation arrangement. Under such arrangement, the Company retains substantial risks and rewards of such loan transferred and accordingly, does not derecognise the loans transferred in its entirety and recognises an associated liability for the consideration received.

The value of financial assets and liabilities as on:

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Carrying amount of transferred assets measured at amortised cost	1,100.89	Nil
Carrying amount of associated liabilities	1,100.89	Nil

**Assignment Transaction:**

During the year, the Company has assigned some loans and advances by way of direct assignments. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet.

As per the terms of these deals, the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The Company is of the view that the accounting treatment prescribed in Ind AS 109 increases the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Therefore, based on the prudence concept, the Company has prepared the financial statements exercising their judgement under para 19 of Ind AS 1 'Presentation of financial statements' and has departed from the above mentioned requirement of Ind AS 109. The relevant disclosure as required by para 20 of Ind AS is also disclosed in this note.

As per the current practice, such gains are recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' as is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

If the Company would have followed with Ind AS 109, financial impact on the following items (increase/(decrease)) in the financial statements would have been as under:

Impact on Statement of Profit and Loss items:

(Amount in lakhs)

Particulars	Year ended	
	Mar 31, 2021	Mar 31, 2022
Gain on assignment of financial assets	1,135.50	1,936.78
Profit before tax	1,135.50	1,936.78
Deferred tax expense/(credit)	285.78	487.44
Profit after tax	849.72	1,449.34
Basic EPS	3.39	5.79
Diluted EPS	1.12	3.21

A) Impact on Balance Sheet Items:

(Rupees in lakhs)

Particulars	As at March 31, 2023
Other Equity	2,240.80
Other financial asset	439.82
Other non-financial liabilities	(2,686.30)
Deferred tax asset	(885.32)

**M. Expenditure on Corporate Social Responsibility**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable to the Company and necessary expenses has been made as mentioned below:

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	18.36	15.65
b) Amount of Expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	18.36	15.65
c) Shortfall at the end of the year (a-b)	Nil	Nil
Total of previous years short fall	Nil	Nil
Reason for shortfall of CSR expenditure		
Nature of CSR activities	1. Tribal Child Education 2. Eye Checkup Camp 3. Women Empowerment	1. Tribal Child Education 2. Women Empowerment
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.	Nil	Nil
Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movements in the provision during the year should be shown separately.	Nil	Nil

## N. Maturity analysis of assets and liabilities

### Maturity analysis of assets and liabilities as at March 31, 2023

(Rupees in lakhs)

	Within 12 months	After 12 months	Total
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	13,630.64	-	13,630.64
Bank balances other than cash and cash equivalents	2,935.50	1,225.58	4,161.08
Trade Receivables	91.67	-	91.67
Loan portfolio	70,181.29	73,351.69	1,43,532.99
Investments	1,999.90	1,526.37	3,526.27
Other financial assets	5,851.03	688.10	6,539.13
<b>Total financial assets</b>	<b>94,690.04</b>	<b>76,791.75</b>	<b>1,71,481.79</b>
<b>Non-financial assets</b>			
Current tax assets (net)	-	39.42	39.42
Deferred tax assets (net)	-	793.12	793.12
Property, plant and equipment	-	613.35	613.35
Right of Use	155.42	332.85	488.27
Intangible assets under development	-	126.97	126.97
Other Intangible assets	-	270.36	270.36
Other non-financial assets	178.16	33.42	211.58
<b>Total non-financial assets</b>	<b>333.58</b>	<b>2,209.51</b>	<b>2,543.09</b>
<b>Total assets</b>	<b>95,023.62</b>	<b>79,001.26</b>	<b>1,74,024.87</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	137.01	-	137.01
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	513.38	-	513.38
Debt securities	4,446.43	16,274.17	20,720.60
Borrowings (other than debt securities)	66,556.23	40,996.55	1,07,552.78
Subordinated liabilities	-	3,000.00	3,000.00
Other financial liabilities	5,915.63	-	5,915.63
Lease liabilities	143.92	414.85	558.77
<b>Total financial liabilities</b>	<b>77,712.60</b>	<b>60,685.57</b>	<b>1,38,398.17</b>
<b>Non-financial liabilities</b>			
Provisions	230.17	-	230.17
Other non-financial liabilities	2,808.22	603.09	3,411.31
<b>Total non-financial liabilities</b>	<b>3,038.39</b>	<b>603.09</b>	<b>3,641.48</b>

<b>EQUITY</b>			
Equity share capital	-	10,779.68	10,779.68
Other equity	-	21,205.54	21,205.54
<b>Total equity</b>	-	<b>31,985.22</b>	<b>31,985.22</b>
<b>Total liabilities and equity</b>	<b>80,750.99</b>	<b>93,273.88</b>	<b>1,74,024.87</b>

**Maturity analysis of assets and liabilities as at March 31, 2022**

(Rupees in lakhs)

	Within 12 months	After 12 months	Total
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	9,471.42	-	9,471.42
Bank balances other than cash and cash equivalents	3,382.65	1,323.40	4,706.05
Trade Receivables	88.64	-	88.64
Loan portfolio	46,010.34	34,180.92	80,191.26
Investments	-	-	-
Other financial assets	2,981.43	840.53	3,821.97
<b>Total financial assets</b>	<b>61,934.48</b>	<b>36,344.85</b>	<b>98,279.33</b>
<b>Non-financial assets</b>			
Deferred tax assets (net)	-	1,125.64	1,125.64
Property, plant and equipment	-	266.89	266.89
Right of Use	122.50	260.31	382.81
Intangible assets under development	-	25.93	25.93
Other Intangible assets	-	74.40	74.40
Other non-financial assets	84.45	0.26	84.71
<b>Total non-financial assets</b>	<b>206.95</b>	<b>1,753.42</b>	<b>1,960.37</b>
<b>Total assets</b>	<b>62,141.42</b>	<b>38,098.29</b>	<b>1,00,239.70</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	0.90	-	0.90
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	247.58	-	247.58
Debt securities	2,315.67	10,975.00	13,290.67
Borrowings (other than debt securities)	41,008.78	27,354.89	68,363.67
Subordinated liabilities	-	3,000.00	3,000.00

Other financial liabilities	1,953.87	-	1,953.87
Lease liabilities	193.27	550.07	743.34
<b>Total financial liabilities</b>	<b>45,720.06</b>	<b>41,879.96</b>	<b>87,600.02</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	26.55	-	26.55
Provisions	110.17	-	110.17
Other non-financial liabilities	2,067.52	444.75	2,512.26
<b>Total non-financial liabilities</b>	<b>2,204.24</b>	<b>444.75</b>	<b>2,648.99</b>
<b>EQUITY</b>			
Equity share capital	-	4,587.74	4,587.74
Other equity	-	5,402.96	5,402.96
<b>Total equity</b>	<b>-</b>	<b>9,990.69</b>	<b>9,990.69</b>
<b>Total liabilities and equity</b>	<b>47,924.30</b>	<b>52,315.40</b>	<b>1,00,239.70</b>

#### O. Disclosure of investing and financing activities that do not require the use of cash and cash equivalents

##### For the year ended March 31, 2023

(Rupees in lakhs)

Name of instrument	Opening	Cash flows	Others	Closing
Debt Securities	13,290.67	7,429.93	-	20,720.60
Borrowings (other than debt securities)	68,363.67	40,777.11	(1,588.00)	1,07,552.78
Sub-debt	3,000.00	-	-	3,000.00
<b>Total</b>	<b>84,654.34</b>	<b>48,207.04</b>	<b>(1,588.00)</b>	<b>1,31,273.38</b>

##### For the year ended March 31, 2022

(Rupees in lakhs)

Name of instrument	Opening	Cash flows	Others	Closing
Debt Securities	7,381.33	5,909.33	-	13,290.67
Borrowings (other than debt securities)	40,675.78	29,996.02	(2,308.13)	68,363.67
Sub-debt	1,000.00	2,000.00	-	3,000.00
<b>Total</b>	<b>49,057.12</b>	<b>37,905.36</b>	<b>(2,308.13)</b>	<b>84,654.34</b>

#### P. Share based payment

Pursuant to a resolution passed by the members holding Equity shares vide Extra ordinary General Meeting held on June 23, 2018, the Company has approved "LMF Employee Stock Option Plan 2018". The Company has made amendment in the ESOP scheme 2018 vide board meeting dated May 20, 2021. The members of the company have approved granting of ESOP to thirty-five employees vide the Extra-ordinary General Meeting held on June 15, 2021.

During the year ended March 31, 2023, the following stock option grants were in operation:

Sr No	Particulars	Details
1	<b>Date of Grant</b>	23/06/2018
2	<b>No. of options granted</b>	9,84,400
3	<b>No of employees to whom such options were granted</b>	4
4	<b>Method of Settlement</b>	Equity/Cash
5	<b>Graded Vesting period:</b>	
	at the end of year 1	20%
	at the end of year 2	20%
	at the end of year 3	20%
	at the end of year 4	20%
	at the end of year 5	20%
	Subject to any other terms as stipulated in the LMF Employee Stock Option Plan 2018	Performance based vesting
6	<b>Exercise Period</b>	
	The Vested Options with an Option Grantee may be exercised only upon or in connection with happening of a Liquidity Event as per the LMF Employee Stock Option Plan 2018	
7	<b>Vesting conditions</b>	
	Options granted under ESOP 2018 shall vest within the minimum period of one (1) year and maximum period of five (5) years from the date of Grant of such Options subject to continued employment with the Company and such other conditions specified under LMF Employee Stock Option Plan 2018.	
8	<b>Average remaining contractual life (Years)</b>	0.25
9	<b>Average exercise price per option (₹)</b>	10.63

Sr No	Particulars	Details
1	<b>Date of Grant</b>	15/06/2021
2	<b>No. of options granted</b>	5,02,000
3	<b>No of employees to whom such options were granted</b>	35
4	<b>Method of Settlement</b>	Equity/Cash
5	<b>Graded Vesting period:</b>	
	at the end of year 1	20%
	at the end of year 2	20%
	at the end of year 3	20%
	at the end of year 4	20%
	at the end of year 5	20%
	Subject to any other terms as stipulated in the LMF Employee Stock Option Plan 2018	Performance based vesting
6	<b>Exercise Period</b>	
	The Vested Options with an Option Grantee may be exercised only upon or in connection with happening of a Liquidity Event as per the LMF Employee Stock Option Plan 2018.	
7	<b>Vesting conditions</b>	
	Options granted under ESOP 2018 shall vest within the minimum period of one (1) year and maximum period of five (5) years from the date of Grant of such Options subject to continued employment with the Company and such other conditions specified under LMF Employee Stock Option Plan 2018.	
8	<b>Average remaining contractual life (Years)</b>	3.25
9	<b>Average exercise price per option (₹)</b>	37.70



Particulars	Year ended on March 31, 2023	Year ended on March 31, 2022
<b>Employee Stock Option Plan 2018</b>		
Employee Stock Option outstanding at beginning of the year	9,84,400	9,84,400
Granted during the year	-	5,02,000
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding during the year	14,86,400	14,86,400
Exercisable at the end of the year	-	-

### Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by the independent valuer on the date of grant using Black-Scholes Merton formula. The key assumptions and the Fair value are as :

Particulars	ESOP – I	ESOP – II
Risk Free Interest Rate(%)	8.25%	5.43% to 5.91%
Option Life (years)	5 years	5 years
Historical Volatility	50.00%	50.00%
Expected Volatility	-	-
Expected Dividend yield (%)	0.00%	0.00%

### Q. Additional regulatory information

- i. The Company does not hold any immovable property as on March 31, 2023 and March 31, 2022. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.
- ii. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, as at March 31, 2023 and March 31, 2022.
- iii. The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2023 and March 31, 2022.
- iv. The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and March 31, 2022.
- v. There was no delay in the registration or satisfaction of any charges with Registrar of Companies during the year ended March 31, 2023 and March 31, 2022.
- vi. The company does not have any investment in any subsidiary company. Therefore, there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- vii. There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2023 and March 31, 2022.
- viii. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.
- ix. The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2023 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

x. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2023 and March 31, 2022.

xi. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

xii. Other than the transactions that are carried out as part of Company' normal lending business:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall –

(a) 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 (b) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall –

(a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### Additional Disclosures required by the Reserve Bank of India

(Disclosures are made as per Ind AS financial statements except otherwise stated)

#### R. Capital to Risk Assets Ratio ('CRAR')

(Rupees in lakhs)

	Particulars	March 31, 2023	March 31, 2022*
i)	CRAR	21.33%	18.28%
ii)	CRAR – Tier I Capital	19.14%	13.73%
iii)	CRAR – Tier II Capital	2.20%	4.56%
iv)	Amount of Subordinated debt raised as capital Tier-II capital	Nil	2,000.00
v)	Amount raised by issuing perpetual debt instrument	Nil	Nil

\*As per IGAAP

#### S. Investments

(Rupees in lakhs)

	Particulars	March 31, 2023	March 31, 2022*
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	3,526.27	Nil
	(b) Outside India	Nil	Nil
	(ii) Provisions for Depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	Nil	Nil
	(ii) Add: Provisions made during the year	Nil	Nil
	(iii) Less Write-off/ write-back of excess	Nil	Nil
	(iv) Closing Balance	Nil	Nil

## T. Disclosures relating to securitisation

During the year the Company has sold loans through securitisation. The information on securitisation activity is as below:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Total number of loans securitised during the year	9,130	Nil
Total book value of loans securitised during the year	3,500.05	Nil
Sale consideration received for loans securitised	3,062.54	Nil
Credit enhancements provided and outstanding (Gross) as at balance sheet date	612.51	Nil
Interest subordination	Nil	Nil
Principal subordination	Nil	Nil
Cash Collateral	175.00	Nil

(Rupees in lakhs)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	No. of SPVs sponsored by the NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on date of balance sheet:	1,100.51	276.77
3	Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on date of balance sheet:		
	a) Off balance sheet exposures		
	- First loss	175.00	165.00
	-Others	437.50	137.06
	b) On balance sheet exposures (cash collateral and over collateral)		
	- First loss	Nil	Nil
	- Others	Nil	Nil
4	Amount of exposures to other than MRR:		
	a) Off balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	ii) Exposure to third party securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	b) On balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	ii) Exposure to third party securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil

**U. Details of assignment transaction undertaken***(Rupees in lakhs)*

Particulars	2022-23	2021-22
No. of loans	1,16,219	67,533
Aggregate value of loans assigned	47,908.09	26,374.44
Aggregate consideration received	41,940.89	23,156.87
Income recognized in the statement of profit and loss*	3,279.37	833.81
Cash collateral	Nil	Nil

\*Includes income recognised from previous year's direct assignment transaction.

**V. Details of financial assets sold to Securitisation / Reconstruction Company for asset reconstruction***(Rupees in lakhs)*

Particulars	2022-23	2021-22
Total number of loans	36,892	Nil
Aggregate principal outstanding of loans transferred (Rs. In lakhs)	4,947.54	Nil
Weighted average residual maturity (in months)	10.7	Nil
Net book value of loans transferred (at the time of transfer)	4,947.54	Nil
Aggregate Consideration	1,038.98	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

**W. Details of non-performing financial assets purchased/sold**

Particulars	2022-23	2021-22
Nil		

**X. Asset Liability Maturity pattern of certain items of Assets and Liabilities****Maturity pattern of assets and liabilities as on March 31, 2023***(Rupees in lakhs)*

Particulars	Up to 30/31 Days	1 -2 Months	2-3 Months	3 – 6 Months	6 Months to 1 Year	1 -3 Years	1 -3 Years	5 Years & above	Total
Advances	4,624.61	5,314.67	5,586.56	17,498.36	37,157.10	73,351.70	-	-	1,43,532.90
Investment	1,999.90	-	-	-	-	1,526.37	-	-	3,526.27
Borrowings	8,485.97	5,647.25	5,958.92	17,634.91	32,281.19	57,064.90	4,200.24	-	1,31,273.30

**Maturity pattern of assets and liabilities as on March 31, 2022***(Rupees in lakhs)*

Particulars	Up to 30/31 Days	1 -2 Months	2-3 Months	3 – 6 Months	6 Months to 1 Year	1 -3 Years	1 -3 Years	5 Years & above	Total
Advances	3,358.84	3,744.60	3,856.60	11,930.32	23,119.97	34,180.92	-	-	80,191.26
Investment	-	-	-	-	-	-	-	-	-
Borrowings	2,088.22	2,802.44	3,683.56	13,481.66	21,113.92	38,484.52	1,000.00	2,000.00	84,654.33

**Y. Exposures**

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current or previous year.

**Z. Details of financing of parent company products**

This disclosure is not applicable as the Company does not have any holding / parent company.

**AA. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

The Company has not exceeded the Single Borrower Limit (SGL) i.e. 15% of its Owned fund / Group Borrower Limit (GBL) i.e. 25% of its own fund, during the current or previous year.

**BB. Value of Imports calculated on CIF basis**

The Company has not imported any goods therefore value of import on CIF basis is Nil in the current and previous year.

**CC. Registration obtained from other financial sector regulators**

The Company is registered with the Ministry of Finance (Financial Intelligence Unit).

**DD. Disclosure of penalties imposed by RBI and other regulators**

No penalties were imposed by RBI or any other regulator during the current or the previous year.

**EE. Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2023**

Deposit Instrument	Name of the rating agency	Deposit Instrument	Amount (Rupees in lakhs)	Rating Assigned
NCD	CRISIL	28/11/2022	18,000.00	CRISIL BBB/Stable
Securitisation	CARE	28/11/2022	2,756.00	CARE A- (SO)
Securitisation	CARE	28/11/2022	306.00	CARE BBB+ (SO)
Securitisation	CARE	28/11/2022	438.00	CARE B+ (SO)
Term Loan Bank Facilities	CARE	30/03/2023	1,15,000.00	CARE BBB+; Stable
NCD	CARE	30/03/2023	2,500.00	CARE BBB+; Stable
MFI Grading	SMERA Grading	05/08/2022	N.A.	SMERA MFI M1 (Highest Capacity of the MFI to manage its operations in a sustainable manner)

**Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2022**

Deposit Instrument	Name of the rating agency	Deposit Instrument	Amount (Rupees in lakhs)	Rating Assigned
NCD	Brickwork Ratings	13/07/2021	3,000.00	BWR BBB/Stable
Term Loan	Brickwork Ratings	13/07/2021	18,810.00	BWR BBB/Stable
Term Loan (Sub debt)	Brickwork Ratings	13/07/2021	1,250.00	BWR BBB/Stable
Securitisation	Brickwork Ratings	26/22/2020	2,969.00	Provisional BWR A- (SO) Stable (Assigned)
MFI Grading	SMERA Grading	25/09/2020	N.A.	SMERA MFI M2 (High Capacity of the MFI to manage its operations in a sustainable manner)

SO – Stable Outlook

**FF. Remuneration of Directors**

The Company has not entered into any transactions or in a pecuniary relationship with the non-executive directors other those as disclosed in note E above.

**GG. Postponement of Revenue Recognition**

There is no significant uncertainty which requires postponement of revenue recognition.

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Provision made towards Income Tax	115.48	242.22
Provision towards NPA	564.71	2,275.04
Provision for standard assets	1,355.67	1,754.58
Provision for fraud	12.41	6.04
Provision for gratuity	80.91	49.39
Provision for compensated absence	136.84	54.74

**II. Draw down from Reserves**

There has been no draw down from Reserves including security premium during the year ended March 31, 2023 (previous year: Nil) other than those disclosed under Note 20.

**JJ. Concentration of Deposits**

The Company has not accepted any deposits during the year ended March 31, 2023 (previous year: Nil).

**KK. Concentration of Advances, Exposures and NPAs**

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Concentration of Advances		
Total Advances to twenty largest borrowers	23.42	17.52
(%) of Advances to twenty largest borrowers to Total Advances	0.02%	0.02%
Concentration of Exposures		
Total Advances to twenty largest borrowers	23.42	17.52
(%) of Advances to twenty largest borrowers to Total Exposure	0.02%	0.02%
Concentration of NPAs		
Total Exposure to top four NPA accounts	3.40	2.98

**LL. Sector-wise NPAs**

Sr No.	Sector	(%) of NPAs to total advances in that sector as at March 31, 2023	(%) of NPAs to total advances in that sector as at March 31, 2022
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate Borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto Loans	Nil	Nil
7	Other personal loans*	0.54%	1.99%

\*Microfinance

**MM. Movement of NPAs***(Rupees in lakhs)*

Sr No.	Particulars	March 31,2023	March 31,2022*
1	Net NPAs to Net Advances (%)	0.16%	0.68%
2	Movement of NPAs (Gross)		
(i)	Opening balance	1,678.61	129.35
(ii)	Additions during the year	5,466.39	2,550.26
(iii)	Reductions during the year	139.48	1,001.00
(iv)	Write-off	6,211.99	Nil
(v)	Closing balance	793.53	1,678.61
3	Movement of Net NPAs		
(i)	Opening balance	(596.43)	Nil
(ii)	Additions during the year	4,942.07	571.27
(iii)	Reductions during the year	4,115.88	Nil
(iv)	Closing balance	229.79	571.27
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
(i)	Opening balance	2,275.04	143.18
(ii)	Provisions made during the year	524.32	506.21
(iii)	Write-off / write-back of excess provisions	(2,235.62)	Nil
(iv)	Closing balance	563.74	694.99

\*as per IGAAP

**NN. Overseas Assets and Off-Balance Sheet SPVs sponsored**

The Company does not own any assets outside the country and any off-balance Sheet SPVs sponsored.

**OO. Disclosure of Complaints**

	Particulars	2022-23	2021-22
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	40	223
(c)	No. of complaints redressed during the year	40	223
(d)	No. of complaints pending at the end of the year	Nil	Nil

**PP. Disclosure of Frauds recorded during the year to RBI vide DNBS PD.CC NO. 256/03.10.042/2012-13 dated March 02, 2012***(Rupees in lakhs)*

Nature of fraud (cash embezzlement)	2022-23	2021-22
Number of cases	48	71
Amount of fraud	13.21	10.97
Recovery	6.84	7.21
Amount written off / Provision made	6.37	3.76

QQ. Comparison of Provision required under IRACP norms and impairment allowances made under Ind AS 109:

For the year ended March 31, 2023:

(Rupees in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms		
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)		
<b>Performing Assets</b>								
Standard	Stage 1	1,46,085.98	1,144.42	1,45,045.93	1667.93	252.45		
	Stage 2	390.06	211.25	178.81				
<b>Subtotal (A)</b>		<b>146,476.04</b>	<b>1,355.67</b>	1,45,224.74				
<b>Non-Performing Assets (NPA)</b>								
Sub-standard	Stage 3 **	793.50	564.71	228.79				
Upto 1 year	-	-	-	-				
1 to 3 years	-	-	-	-				
More than 3 years	-	-	-	-				
Loss assets	-	-	-	-				
<b>Subtotal (B)</b>		<b>793.50</b>	<b>564.71</b>	<b>228.79</b>				
<b>Total</b>	<b>Stage 1</b>	<b>1,46,085.98</b>	<b>1,144.42</b>	<b>1,44,941.56</b>				
	<b>Stage 2</b>	<b>390.06</b>	<b>211.25</b>	<b>178.81</b>	<b>1667.93</b>	<b>252.45</b>		
	<b>Stage 3</b>	<b>793.50</b>	<b>564.71</b>	<b>228.79</b>				
	<b>Total</b>	<b>1,47,269.54</b>	<b>1,920.38</b>	<b>1,45,349.17</b>	<b>1667.93</b>	<b>252.45</b>		

For the year ended March 31, 2022:

(Rupees in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	81,087.78	1,261.75	79,826.03	412.35	1,342.23
	Stage 2	1,521.30	492.83	1,028.47		
<b>Subtotal (A)</b>		<b>82,609.08</b>	<b>1,754.58</b>	<b>80,854.50</b>		
<b>Non-Performing Assets (NPA)</b>						
Sub-standard	Stage 3 **	1,678.61	2,275.04	(596.43)	694.99	1,580.05
Doubtful						
Upto 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
<b>Subtotal (B)</b>		<b>1,678.61</b>	<b>2,275.04</b>	<b>(596.43)</b>	<b>694.99</b>	<b>1,580.05</b>
<b>Total</b>	<b>Stage 1</b>	<b>81,087.78</b>	<b>1261.75</b>	<b>79,826.03</b>	412.35	1,342.23
	<b>Stage 2</b>	<b>1,521.30</b>	<b>492.83</b>	<b>1,028.47</b>		
	<b>Stage 3</b>	<b>1,678.61</b>	<b>2,275.04</b>	<b>(596.43)</b>		
	<b>Total</b>	<b>84,287.69</b>	<b>4,029.62</b>	<b>80,258.07</b>	<b>1107.34</b>	<b>2,922.28</b>



\* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognising the securitised assets which meets the de-recognition criteria under the previous GAAP. The details are as under.

(Rupees in lakhs)

Provision as per IRACP norms	2022-23	2021-22
1% of Loan portfolio (A)	1,472.40	841.00
50% of 90+ overdue and 100% of 180+ overdue (B)	162.05	631.17
Higher of (A) or (B)	1,472.40	841.00
Other off book and covid provision	195.53	266.34
<b>Total Provision</b>	<b>1,667.93</b>	<b>1,107.34</b>

\*\*Stage 3 assets contain those loan accounts also which are below 90 DPD but falls under NPA Category.

#### RR. Information on Net Interest Margin

Quarterly Net Interest Margin

(Rupees in lakhs)

Particulars	March 31, 2023			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	19.43%	21.37%	23.78%	23.56%
Average effective cost of borrowing*	10.81%	10.91%	11.36%	11.42%

(Rupees in lakhs)

Particulars	March 31, 2022			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	21.32%	22.20%	21.97%	18.94%
Average effective cost of borrowing*	11.81%	12.02%	11.65%	11.21%

\*Represents the average effective cost of borrowings for preceding quarter.

The company has calculated above average lending rate and effective cost of borrowing as per pricing of credit guidelines prescribed in master directions issued by Reserve Bank of India no. DNBR.PD.008/03.10.119/2016-17.

#### SS. Disclosures as required for liquidity risk

Funding Concentration based on significant counterparty (both deposits and borrowings)

(Rupees in lakhs)

Particulars	March 31, 2023	March 31, 2022
Number of significant counter parties*	41	41
Amount	1,322.66	853.29
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities	100.00%	100.00%

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

#### Top 20 large deposits

Particulars	March 31, 2023	March 31, 2022
Total amount of top 20 deposits	Nil	Nil
Percentage of amount of top 20 deposits to total deposits	Nil	Nil

#### Top 10 borrowings

Particulars	March 31, 2023	March 31, 2022
Total amount of top 10 borrowings	840.10	550.44
Percentage of amount of top 10 borrowings to total borrowings	63.52%	64.52%

#### Funding Concentration based on significant instrument/product\*

Sr. No.	Name of the instrument/product	March 31, 2023	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	207.21	15.67%
2	Term Loans from Banks	821.35	62.09%
3	Term Loans from Non-banking financial companies	284.10	21.48%
4	External commercial borrowings	Nil	Nil
5	Non-Convertible Debentures (Unsecured)	10.00	0.76%
6	Non-Convertible Preference Shares	Nil	Nil

Sr. No.	Name of the instrument/product	March 31, 2022	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	132.91	15.58%
2	Term Loans from Banks	558.74	65.48%
3	Term Loans from Non-banking financial companies	151.64	17.77%
4	External commercial borrowings	Nil	Nil
5	Non-Convertible Debentures (Unsecured)	10.00	1.17%
6	Non-Convertible Preference Shares	Nil	Nil

\*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) C.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

#### Stock ratios

Sr. No.	Name of the instrument/product	March 31, 2023	March 31, 2022
1	Commercial papers as a % of total public funds	Nil	Nil
2	Commercial papers as a % of total liabilities	Nil	Nil
3	Commercial papers as a % of total assets	Nil	Nil
4	Non-Convertible Debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
5	Non-Convertible Debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
6	Non-Convertible Debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
7	Other short-term liabilities as a % of total public funds	Nil	Nil
8	Other short-term liabilities as a % of total liabilities	Nil	Nil
9	Other short-term liabilities as a % of total assets	Nil	Nil

\*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

#### TT. Disclosure on Transfer of Loan Exposures

Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 - Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 – dated September 24, 2021

(i) Details of loans not in default transferred through assignment:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Aggregate amount of loans transferred	47,908.09	24,771.87
Weighted average maturity (in months)	16.38	17.06
Weighted average holding period (in months)	8.84	8.57
Retention of beneficial economic interest by the originator	10% - 7 transactions 15% - 4 transactions	10% - 4 transactions 15% - 1 transaction
Tangible security cover	Nil	Nil
Rating-wise distribution of rated loans	Not Rated	Not Rated

(ii) The Company has not acquired any loan through assignment during the year ended March 31, 2023.

(iii) Details of non-performing assets (NPA's) transferred during the year ended March 31, 2023.

Particulars	2022-23	2021-22
Aggregate principal outstanding of loans transferred (Rs. In lakhs)	4,947.54	Nil
Weighted average residual maturity (in months)	10.7	Nil
Net book value of loans transferred (at the time of transfer)	4,947.54	Nil
Aggregate Consideration	1,038.98	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

(iv) The Company has not acquired any stressed loan during the year ended March 31, 2023.

#### UU. Schedule to the Balance Sheet of a Non-Banking Financial Company for the Year ended 31st March 2023.

(as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rupees in lakhs)

	Particulars		
	Liabilities side :		
	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>	Amount Outstanding	Amount Overdue
	(a) Debentures		
	Secured	20,720.60	-
	Unsecured	1,000.00	-
	(other than falling within the meaning of public deposits)		
1	(b) Deferred Credits	-	-
	(c) Term Loans	1,09,552.78	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans (specify nature)	-	-
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		

	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
3	<b>Assets side:</b>		
	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
	(a) Secured	-	-
	(b) Unsecured	1,43,532.99	427.84
4	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Hypothecation loans counting towards EL/HP activities		
		-	-
(a) Loans where assets have been repossessed	-	-	
	(b) Loans other than (a) above		
5	<b>Break-up of Investments:</b>		
	Current Investments:		
	<b>1. Quoted:</b>		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	1,999.90	-
	(iv) Government Securities	-	-
	(v) Others – Pass through Certificate	437.51	-
	Others – Security Receipts	1,088.87	-
	<b>2. Unquoted:</b>		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-	
(v) Others - Fixed Deposits	5661.08	-	

<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</b>				
6	Category	Amount net of provisions (in lakhs)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	1,43,532.99	1,43,532.99
	<b>Total</b>	<b>Nil</b>	<b>1,43,532.99</b>	<b>1,43,532.99</b>

(Rupees in lakhs)

<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
7	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
		1. Related Parties	
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	3,526.27	3,526.27
	<b>Total</b>	<b>3,526.27</b>	<b>3,526.27</b>

## 8. Other information

(Rupees in lakhs)

	Particulars	As at March 31,2023	As at March 31,2022
(i)	Gross Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	793.53	1,678.61
(ii)	Net Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	228.83	571.27
(iii)	Assets acquired in satisfaction of debt	Nil	Nil

## VV. Accounting notes Disclosures

Disclosures as required under RBI Notification No: RBI/ 2019-20/220 DOR No BP.BC.63/21.04.048/2019-20 dated April 17 2020 on COVID-19 Regulatory Package- Asset Classification and Provisioning.

(Rupees in lakhs)

Particulars	31 March 2023	31 March 2022
i) Respective amounts in SMA/Overdue Categories where the moratorium/deferment was extended*	Nil	26.90
ii) Respective amount where asset classification benefits is extended.	Nil	Nil
iii) Provision made during quarter four for FY 2020 and Quarter one FY 2021 in terms of paragraphs (as on June 30, 2020).	Nil	3.88
iv) Provision adjusted during the respective accounting periods against slippages.	Nil	Nil
v) Residual provisions at the end of the financial year written back or adjusted against the provisions required for all other accounts.	Nil	3.88

\*Outstanding on account of all cases where moratorium benefit is extended by the Company up to August 31, 2020.

**WW.** During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 for the year ended March 31, 2023

(Rupees in lakhs)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate Persons	-	-	-	-	-
- of which, MSMEs	-	-	-	-	-
Others	3,970	1,054.54	-	-	128.12

#### Disclosures to be made year ended March 31, 2023

(Rupees in lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons*	Nil	Nil	Nil	Nil	Nil
Of which MSMEs	Nil	Nil	Nil	Nil	Nil
Others	1,893.02	35.94	1,814.50	29.03	13.50
<b>Total</b>	<b>1,893.02</b>	<b>35.94</b>	<b>1,814.50</b>	<b>29.03</b>	<b>13.50</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**XX.** Details of resolution plan implemented under the RBI Resolution Framework-2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021, are given below:

(Rupees in lakhs)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	Nil	3,456	Nil
(B)	Number of accounts where resolution plan has been implemented under this window	Nil	2,983	Nil
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	Nil	790.57	Nil
(D)	Of (C), aggregate amount of debt that was converted into other securities	Nil	-	Nil
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Nil	-	Nil
(F)	Increase in provisions on account of the implementation of the resolution plan	Nil	99.15	Nil

**YY.** As stated in Note 1-b, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2022, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended March 31 2023 including the comparative information for the year ended March 31 2022 and the opening Ind AS balance sheet on the date of transition i.e. April 1 2021.

In preparing the Ind AS balance sheet as at April 1 2021 and in presenting the comparative information for the year ended March 31 2022, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

### **Optional exemptions availed and mandatory exceptions**

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### **A. Optional exemptions availed**

##### **1. Property plant and equipment and intangible assets**

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- o fair value;
- o or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

#### **B. Mandatory exceptions**

##### **1. Accounting estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period resented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- o Fair valuation of financial instruments carried at FVTPL.
- o Impairment of financial assets based on the expected credit loss model.
- o Determination of the discounted value for financial instruments carried at amortised cost.
- o EIR on borrowings.
- o Expected life of portfolio.
- o Classification of equity and liability.
- o Incremental borrowing rate for financial lease.

## 2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS.

## 3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

## 4. Impairment of financial assets

The Company being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under Previous GAAP.

Accordingly, the Company has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109 retrospectively.

### Reconciliation of Equity

(Rupees in lakhs)

	As at date of transition April 1, 2021		
	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2,913.34	-	2,913.34
Bank balances other than cash & cash equivalents	-	2,715.89	2,715.89
Trade receivables	76.17	-	76.17
Loans	49,957.17	(980.61)	48,976.56
Other financial assets	-	1,804.53	1,804.53
	<b>52,946.68</b>	<b>3,539.81</b>	<b>56,486.49</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	-	-	-
Deferred tax asset (net)	175.67	394.78	570.45
Property, Plant & Equipment	172.70	-	172.70
Right to use	-	510.27	510.27
Other intangible assets	53.68	-	53.68
Other non-financial assets	5,804.36	(5,710.19)	94.16
	<b>6,206.41</b>	<b>(4,805.14)</b>	<b>1,401.27</b>
<b>Total Assets</b>	<b>59,153.09</b>	<b>(1,265.33)</b>	<b>57,887.75</b>



<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Payables			
Trade payables			
(i) Total outstanding dues of Micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises other payables	129.44	-	129.44
Debt securities	-	8,381.33	8,381.33
Borrowings (other than debt securities)	48,425.06	(7,749.28)	40,675.78
Other financial liabilities	-	898.09	898.09
Lease liabilities	-	510.27	510.27
	<b>48,554.50</b>	<b>2,040.41</b>	<b>50,594.91</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	-	102.6	102.60
Provisions	755.43	(753.14)	2.29
Other non-financial liabilities	1,239.23	(500.74)	738.49
	<b>1,994.66</b>	<b>(1,151.28)</b>	<b>843.38</b>
<b>Equity</b>			
Equity share capital	4,331.58	(1,000.00)	3,331.58
Other equity	4,272.36	(1,154.47)	3,117.89
	<b>8,603.94</b>	<b>(2,154.47)</b>	<b>6,449.47</b>
<b>Total liabilities and equity</b>	<b>59,153.09</b>	<b>(1,265.33)</b>	<b>57,887.75</b>

(Rupees in lakhs)

	As at March 31, 2022		
	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	8,671.42	800.00	9,471.42
Bank balances other than cash & cash equivalents	-	4,706.05	4,706.05
Trade receivables	88.64	-	88.64
Loans	84,287.69	(4,096.43)	80,191.26
Other financial assets	-	3,821.97	3,821.97
	<b>93,047.74</b>	<b>5,231.59</b>	<b>98,279.33</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	-	-	-
Deferred tax asset (net)	314.59	811.05	1,125.64
Property, Plant & Equipment's	266.89	-	266.89
Right to use	-	382.81	382.81
Intangible assets under development	25.93	-	25.93
Other intangible assets	74.40	-	74.40
Other non-financial assets	8,451.71	(8,367.00)	84.71
	<b>9,133.52</b>	<b>(7,173.14)</b>	<b>1,960.37</b>
<b>Total Assets</b>	<b>1,02,181.26</b>	<b>(1,941.55)</b>	<b>1,00,239.70</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Payables			
Trade Payables			
(i) Total outstanding dues of Micro enterprises and small enterprises	0.90	-	0.90
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises other payables	247.58	-	247.58
Debt securities	-	14,290.67	14,290.67
Borrowings (other than Debt securities)	85,329.34	(14,965.67)	70,363.67
Other financial liabilities	-	1,953.87	1,953.87
Lease liabilities	-	743.34	743.34
	<b>85,577.82</b>	<b>2,022.20</b>	<b>87,600.02</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	-	26.55	26.55
Provisions	1,459.73	(1,349.56)	110.17
Other non-financial liabilities	2,420.00	92.26	2,512.26
	<b>3,879.73</b>	<b>(1,230.75)</b>	<b>2,648.99</b>
<b>Equity</b>			
Equity share capital	4,587.74	-	4,587.74
Other equity	8135.97	(2,733.02)	5,402.96
	<b>12,723.71</b>	<b>(2,733.02)</b>	<b>9,990.69</b>
<b>Total liabilities and equity</b>	<b>1,02,181.26</b>	<b>(1,941.55)</b>	<b>1,00,239.70</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2022**
*(Amount in lakhs)*

	<b>Previous GAAP</b>	<b>Adjustment on transition to Ind AS</b>	<b>Ind AS</b>
<b>Revenue from operations</b>			
(a) Interest income	<b>13,570.67</b>	<b>(319.87)</b>	<b>13,250.80</b>
(b) Other operating revenue	2,788.94	279.78	3,068.72
<b>Total revenues from operations</b>	<b>16,359.61</b>	<b>(40.09)</b>	<b>16,319.52</b>
<b>Other income</b>	<b>291.57</b>	<b>(279.78)</b>	<b>11.79</b>
<b>Total income</b>	<b>16,651.18</b>	<b>(319.87)</b>	<b>16,331.31</b>
<b>Expenses</b>			
(a) Finance cost	7,626.03	60.99	7,687.02
(b) Impairment/(Reversal of Impairment on Financial Instruments)	462.69	1,310.67	1,773.36
(d) Employee benefit expenses	5,592.18	(9.64)	5,582.54
(e) Depreciation, amortization and impairment	230.14	299.55	529.68
(f) Other expenses	2,092.78	3.76	2,096.54
Total expenses	16,003.82	1,665.31	17,669.13
<b>(Loss)/Profit before tax</b>	<b>647.37</b>	<b>(1,985.18)</b>	<b>(1,337.82)</b>
Tax expense			
(a) Current tax	242.22	-	242.22
(b) Deferred tax	(138.92)	(432.90)	(571.82)
(c) Expense/(Short) Provisions of earlier year	1.48	-	1.48
Total Tax Expense (a+b+c)	104.79	(432.90)	(328.12)
<b>(Loss)/ Profit for the period / year</b>	<b>542.58</b>	<b>(1,552.28)</b>	<b>(1,009.70)</b>
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of the defined benefit liabilities/(asset)	-	(66.05)	(66.05)
(ii) Income tax relating to assets that will not be reclassified to profit or loss	-	(16.62)	(16.62)
<b>Total comprehensive income for the year (VII + VIII)</b>	<b>542.58</b>	<b>(1,634.96)</b>	<b>(1,092.38)</b>

As required by paragraph 32 of Ind AS 101, reconciliation of financial statements to those reported under Previous GAAP is summarised as follows:

(Amount in lakhs)

<b>Reconciliation of the financial statements as per Previous GAAP</b>	<b>Year ended March 31, 2023</b>
<b>Profit after tax as per previous GAAP</b>	<b>1,093.62</b>
Increase / (decrease) in profits due to:	
Expected credit loss on financial assets (release)	2,633.84
Effective interest rate impact on financial assets	(1,092.58)
Financial cost/ lease impact	290.03
Assignment / Securitisation Impact	(46.77)
ESOP fair valuation	(39.58)
Fair valuation on investment	263.75
Tax impact on above adjustments	(415.88)
<b>Profit after tax as per Ind AS</b>	<b>2,686.43</b>
<b>Other Comprehensive Income (net of taxes)</b>	<b>(18.76)</b>
<b>Total Comprehensive Income as per Ind AS</b>	<b>2,667.67</b>

<b>Reconciliation of equity</b>	<b>As at March 31, 2023</b>
<b>Equity as reported under previous GAAP</b>	<b>33,079.54</b>
Increase / (decrease) in profits due to:	
Expected credit loss on financial assets	(292.84)
Effective interest rate impact on financial assets	(1,816.18)
Financial lease impact	(70.50)
Assignment / Securitisation Impact	419.98
Fair value on investment	263.75
Tax impact on above adjustments	401.47
<b>Equity as reported under Ind AS</b>	<b>31,985.22</b>

## Notes to the reconciliations

### i. Loans

Under Previous GAAP, the Company was considering loans and advances at their carrying amount, while under Ind AS, the same has been considered at amortised cost.

### ii. Interest income using effective interest method

Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method.

### ii. Impairment Allowance for expected credit loss

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Direction- Non Banking Financial Company - Non Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

### iii. Impact on derecognition of loans

Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognized only when the Company transfers substantially all the risks and rewards related to the cash flows. Any Gain / Loss on derecognition is recognized over the tenure of assignment transaction in Statement of Profit and Loss.

### iv. Reclassification of actuarial loss / (gain), arising out of employee benefit schemes, to Other Comprehensive Income

Actuarial gain and losses are recognised in other comprehensive income under Ind AS. Under Previous GAAP, these were recognised in Statement of profit and loss.

### v. Fair Valuation of Investments

Under Previous GAAP, investment was carried at lower of cost or net realisable value. Under Ind AS, these investments are measured at FVTPL.

### vi. Share based payments

Under the previous GAAP, the cost of equity- settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the Cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

### vii. Implication of Tax Expense

The impact of deferred tax has been considered for all the Ind AS adjustments recorded and where there are temporary differences, the deferred tax related to same has been adjusted in the Tax Expense of that period.

### viii. Assignment of loan portfolio

The Company derecognizes the loan portfolio assigned to assignees. Under Previous GAAP, interest income spread on the loan portfolio assigned (net of minimum retention ratio) was recognized as and when it was accrued, i.e., over the life of the loan given. Under Ind AS, such interest income is recognized over the tenure of assignment transaction.

### As per our attached report of even date

For C N K & Associates LLP  
Chartered Accountants  
Firm Registration No. 101961W/W-100036

Hiren Shah  
Partner  
Membership No. 100052

Place: Ahmedabad  
Date: 25th May, 2023

### For Light Microfinance Pvt Ltd

\_\_\_\_\_  
Deepak Amin  
Managing Director  
(DIN- 01289453)

\_\_\_\_\_  
Rakesh Kumar  
Executive Director  
(DIN-03430670)

\_\_\_\_\_  
Aviral Saini  
Executive Director  
(DIN-03534719)

\_\_\_\_\_  
Madhavi Gajjar  
Company Secretary  
(M.No.A54522)

## **LIGHT MICROFINANCE PRIVATE LIMITED**

Reg office: 308 Aggarwal Tower, Plot No. 2 Sector – 5, Dwarka New Delhi - 110075

Corporate Office : 310-Pinnacle Business park, Corporate Road, Prahladnagar,  
Ahmedabad-380015

Website : [www.lightmicrofinance.com](http://www.lightmicrofinance.com)

Email : [info@lightmicrofinance.com](mailto:info@lightmicrofinance.com)

CIN : U67120DL1994PTC216764

### **NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINE ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF LIGHT MICROFINANCE PRIVATE LIMITED will be held on Tuesday, September 12, 2023, at 11:00 AM IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OVAM”) to transact the following business:

#### **ORDINARY BUSINESS:**

ITEM NO. 01 TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023, AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023, and the reports of the Board of Directors and Auditors thereon.

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2023, and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

**By Order of the Board of Directors  
LIGHT MICROFINANCE PRIVATE LIMITED**

**Date: August 10, 2023  
Place: Ahmedabad**

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**DEEPAK AMIN**  
Managing Director  
DIN: 01289453

## NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular no. 20/2020 dated May 05, 2020, and General Circular No. 10/2022 dated December 28, 2022, allowed the companies to hold Annual General Meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Accordingly, this Annual General Meeting (AGM) is being held through Video Conferencing mode. The Deemed venue for the AGM shall be the Registered Office of the Company.
2. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
3. Electronic copy of the Notice of the 29th Annual General Meeting of the Company is being sent to all the members whose email IDs are registered with the Company for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs and for others physical copies of the Notice of the 29th Annual General Meeting of the Company is being sent in the permitted mode.
4. Members may also note that the Notice of the 29th Annual General Meeting, and the Annual Report for 2022-23 will also be available on the Company's website [www.lightmicrofinance.com](http://www.lightmicrofinance.com) in for their download till the date of Annual General Meeting. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office at Ahmedabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [compliance@lightmicrofinance.com](mailto:compliance@lightmicrofinance.com)
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Corporate Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
6. Members desiring to vote shall send the Ballot Paper enclosed with this Notice to the Scrutinizer, CS Chirag Shah, Practicing Company Secretary, duly completed and signed, on [pcschirag@gmail.com](mailto:pcschirag@gmail.com) not later than 24 hours of conclusion of AGM. Any Ballot Paper received after that will be strictly treated as if the reply from the Members has not been received.
7. The Ballot Paper should be signed by the Member as per the specimen signature registered with the Company/Depository Participants. In case of joint holding, the Ballot Paper should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney ("POA") holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot Paper is not permitted through proxy.
8. For shares held by corporate and institutional shareholders (companies, mutual funds, trusts, societies, etc.), the duly completed Ballot Paper should be accompanied by a certified copy of the relevant Board Resolution/Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
9. Votes should be cast in case of each resolution, either in favour or against, by putting the tick (✓) mark in the column provided in the Ballot Paper for assent / dissent.
10. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. A Ballot Paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the

signature cannot be verified.

11. The decision of the Scrutinizer on the validity of the Ballot Paper and any other related matters shall be final.

**By Order of the Board of Directors  
LIGHT MICROFINANCE PRIVATE LIMITED**

Date: August 10, 2023  
Place: Ahmedabad

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DEEPAK AMIN  
Managing Director  
DIN: 01289453





(Sitting third row from top) Light Promoter and MD Deepak Amin, Chief Executive Officer Rakesh Kumar and Chief Financial Officer Aviral Saini with Team.

CORPORATE OFFICE

**310, PINNACLE BUSINESS PARK,  
CORPORATE ROAD, PRAHLAD NAGAR,  
AHMEDABAD, GUJARAT – 380015.**

[www.lightfinance.com](http://www.lightfinance.com)