

Annual Report - 2019-2020



LIGHT MICROFINANCE PVT. LTD.

Letter to Shareholders



Dear Fellow Shareholders,

Light Microfinance was set up with a solid foundation of values and a large vision. We had begun our journey with a mission to offer the financially excluded sections of India with cost-effective, timely, humane and technology-driven efficient products and services with world class standards. We are deeply gratified that we have largely been on track with that mission every year since the inception of your Company. Our leadership position in the microfinance industry in our geographical areas validates our commitment to investing in the best talent in the country enabled with cutting edge technology and driven by the most efficient and effective processes in the industry. Your Company has a passionate, committed, talented, driven and innovative team that knows how to work as a team to translate our long term vision and mission into daily execution on the ground. This is what galvanizes the sustainable performance of the Company. This is a team we are proud of. This is your team.

Your Company currently operates in 119 branches in the 3 states of Gujarat, Rajasthan and Madhya Pradesh with 187,502 deserving and under-served customers. The Company currently has total Assets Under Management of Rs. 475 crores at the end of FY20 as compared to Rs. 279 crores at the end of FY19, a YoY growth of 70%. You will be pleased to know that your Company was the second fastest growing microfinance company among companies of its size or larger according to MFIN's 2019-20 report. The Company grew its PAT from Rs. 1.88 crores in FY19 to Rs. 4.02 crores in FY20, despite the difficult market conditions. Your Company was at a comfortable Capital Adequacy Ratio of 20.21%, well above the stipulated minimum RBI requirements of 15%. The Company has almost doubled its team strength from 582 in FY19 to 1055 in FY20 – every one of them making you proud. This spectacular growth has been achieved by the Company without compromising on the quality of its assets. The Company has improved collections with a PAR 90 (90 days overdue) of 0.5% in FY20 compared to 0.81% in FY19, one of the top performers on this metric in the MFI industry in India.

In addition, we are very happy that your Company had high quality diversified debt stakeholders from 12 banks and 14 NBFC's. Over the coming years, this is expected to lower the cost of funds for the Company and bring in new efficiencies for the next stage of growth.

It gives us great pleasure to say that on the strength of its Management team, Governance structure, operations and potential for future growth, your Company was able to raise equity finance from three global, high quality private equity investors in the year. The Company has already received Rs. 25 crores in foreign equity investment and is awaiting regulatory approval for likely additional round of investment. This is a seminal moment in the growth path of Light Microfinance because this is the first round of equity financing that the Company has raised from institutional private equity investors. They bring world class experience and expertise in microfinance and financial inclusion, with particular focus on social impact that is completely copacetic with the mission, values and the soul of

Light Microfinance. We are proud to have them as our partners in this exciting and impactful journey and look forward to working closely with them in the coming years.

We are truly grateful to all of our stakeholders for supporting, helping, advising and guiding the Company in this exhilarating journey – our esteemed lenders, our investors, our directors, our advisors, our partners, our employees and above all our customers. We can never thank each and every one of them enough. It is our stakeholders who will prepare and propel the Company to its next stage of growth.

The ongoing Covid-19 pandemic in the world and particularly in India has hit the global economy very hard. The type, speed and scale of impact has been unprecedented in the last 100 years. The GDP of the G-20 economies is projected to contract by 4.6% in 2020 according to Moodys, the deepest global recession in decades despite the extraordinary interventions of governments to counter the downturn with fiscal as well as monetary policy support. The Indian economy is also expected to shrink by 3.1% in 2020. This will place enormous challenges on the entire economy and specifically on the microfinance industry too. The health crisis leading to an economic and financial crisis has put a lot of pressure on our industry. While we expect the crisis to continue in the near term, it is reasonable to expect it to last for another year.

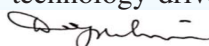
In this context, we want to assure you that your Company is fully seized of the crisis and thoroughly prepared to deal with it on every front – people, operations as well as finance. Your Company responded within days of the lockdown announcement and enabled its entire digital platform infrastructure for our committed teams to work from home with full functionality without compromising on cyber security. Work from home requires handling a new set of challenges, including information security, a reconfigured infrastructure and vulnerability to phishing attacks. Cyber security and Business Continuity were both top priority. Your Company runs processes that are largely system driven, thus all changes to the controls and processes were strictly implemented and monitored and were found to be operating effectively. It is thanks largely to the investments that the Company has made in technology over the years that it was able to respond to the new lockdown situation with agility. While the field operations were severely affected because of strict lockdowns at every level, the head office continued to work and the management swung into action to put some new processes and HR practices in place, including training, new social-distancing protocols for health and safety and establishing communications with our customers to ensure their well-being. This investment in the people gave excellent results as an energized and newly trained team swung into action as soon as the lockdown started opening.

Even as the operations of the Company were under strict control and monitoring, your Company has always had its Asset-Liability Management on top of the radar. The static liquidity assessment and dynamic liquidity assessment was done on a daily basis to ensure that the Company was always comfortable with respect to its liquidity and financial obligations. Your Company has successfully handled the Andhra crisis in the past, come out of the Demonetization shock with strength, grown during the ILFS crisis and is today in a strong position to handle the ensuing Covid-19 crisis. You have invested in a world class team with a can-do attitude.

We are also proud to inform you that your Company was awarded the Economic Times-Enterprise Icons 2019 Award in the Microfinance category this year. This is one of the most credible awards and recognition of the hard work, dedication, passion and excellence that comes from each and every one of your Company's stake holders. This was a proud moment for all of us. We will never tire of saying that you have invested in a world class team.

We continue to believe in the microfinance sector and the potential it holds for growth. Large sections of India are still financially excluded and in dire need of intervention providing large untapped headroom for growth. With its world class team, its various top-notch stakeholders, its continuing investments in technology and innovations and a large values driven vision, your Company is strongly positioned to be the leader in the industry in the coming years.

In conclusion, we want to thank all our stakeholders for reposing faith in the Company, to all our customers for their trust in us and to our invaluable team at Light Microfinance for their hard work, passion and commitment to building a technology-driven, customer-first, execution-oriented and values-driven company.



Deepak Amin
Managing Director

Rakesh Kumar
Chief Executive Officer

Aviral Saini
Chief Financial Officer

Obituary



Dear Shareholders,

It is with a heavy heart that we include this section in our Annual Report. As you all know already, the Chairperson of our Board, Ms. Vijayalakshmi Das passed away suddenly on February 8, 2020. It has shocked and shaken us and all of those who have had the pleasure and privilege of working with her. Viji, as she was lovingly yet respectfully known to all of us, was a pioneer in microfinance and microinsurance in India and internationally. To call her the doyen of microfinance would be an understatement. It is thanks to her that millions of women in India are in a better place in their lives, in their communities and in society than they would have been otherwise. She was loved and respected by each and every one whose life she touched.

To us and to all our colleagues at Light Microfinance and many in the industry who were fortunate enough to know her personally as well as professionally, she was a bundle of energy, wit, humour, deep knowledge, compassion, integrity and ideals. Someone so accomplished globally and yet so humble, accessible and down to earth. Someone so loving and caring and yet a relentless fighter for social justice, financial inclusion and women's empowerment. Someone so supportive not only to many of us individuals but also to organisations, especially the smaller ones, the industry, government and the country. Yet she was someone who never feared expressing her blunt opinions whenever she disagreed with a person, an institution, industry or even the government. My personal journey in microfinance started with her. It is thanks to Viji that the vision and first business plan of Light Microfinance was prepared in her office at FWFB in Ahmedabad. As Chairperson of our board, she was always there to help and support all of us not only during the board meetings but far beyond that. There are no words that can express our loss.

Dear Viji – you have left a huge void for all of us – personally as well as professionally. We will all miss you tremendously. Us especially.

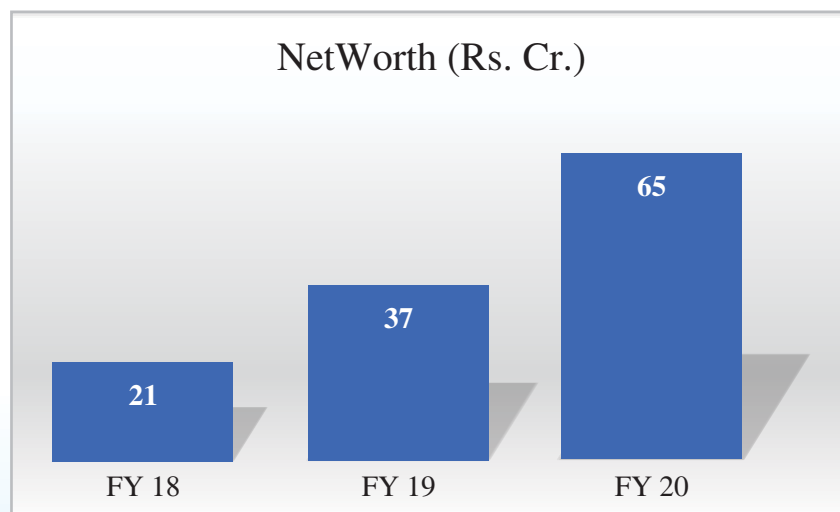
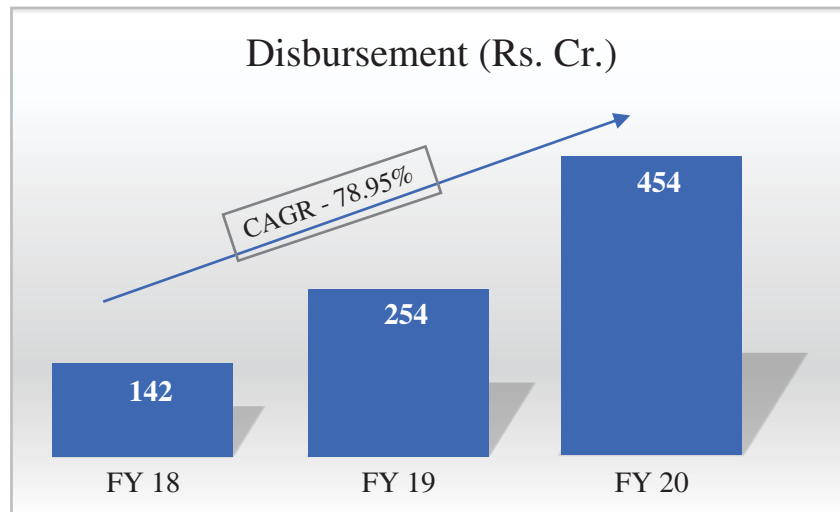
Deepak Amin
Managing Director

Rakesh Kumar
Chief Executive Officer

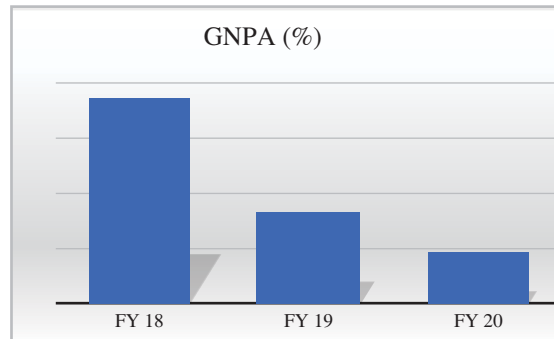
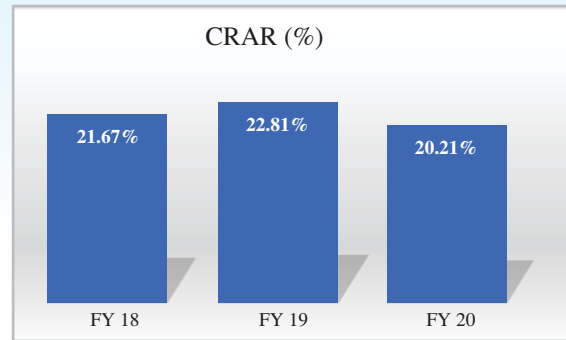
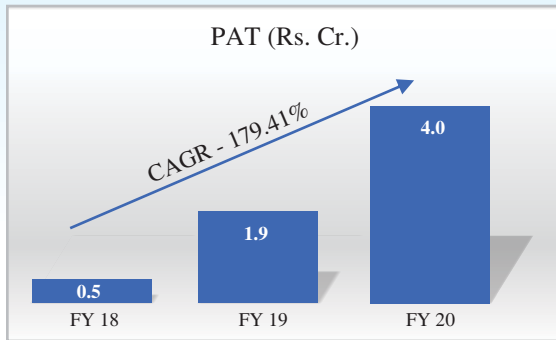
Aviral Saini
Chief Financial Officer

Financial Metrics

Rs. Cr.	FY18	FY19	FY20
AUM	132	288	476
Disbursements	142	254	454
Net Worth	21	37	65
PAT	0.5	1.9	4
CRAR	21.67%	22.81%	20.21%
GNPA	14,902,411	14,661,291	13,595,972
GNPA(%)	1.13%	0.51%	0.29%

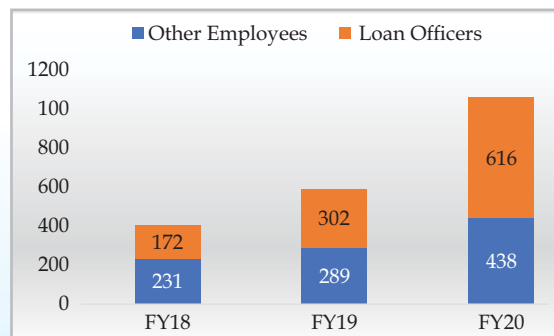
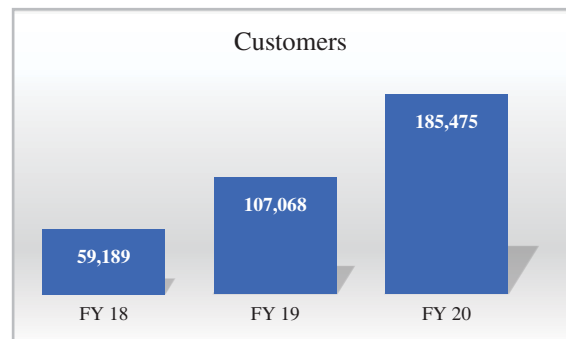
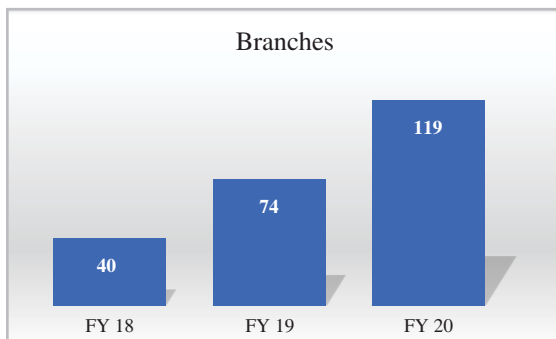


Financial Metrics



Operational Matrix

Particulars	FY18	FY19	FY20
Branches	40	74	119
Customers	59,189	107,068	185,475
Other Employees	231	289	438
Loan Officers	172	302	616



Board of Directors



Deepak Amin
Managing Director



Rakesh Kumar
CEO & Executive Director



Aviral Saini
CFO & Executive Director

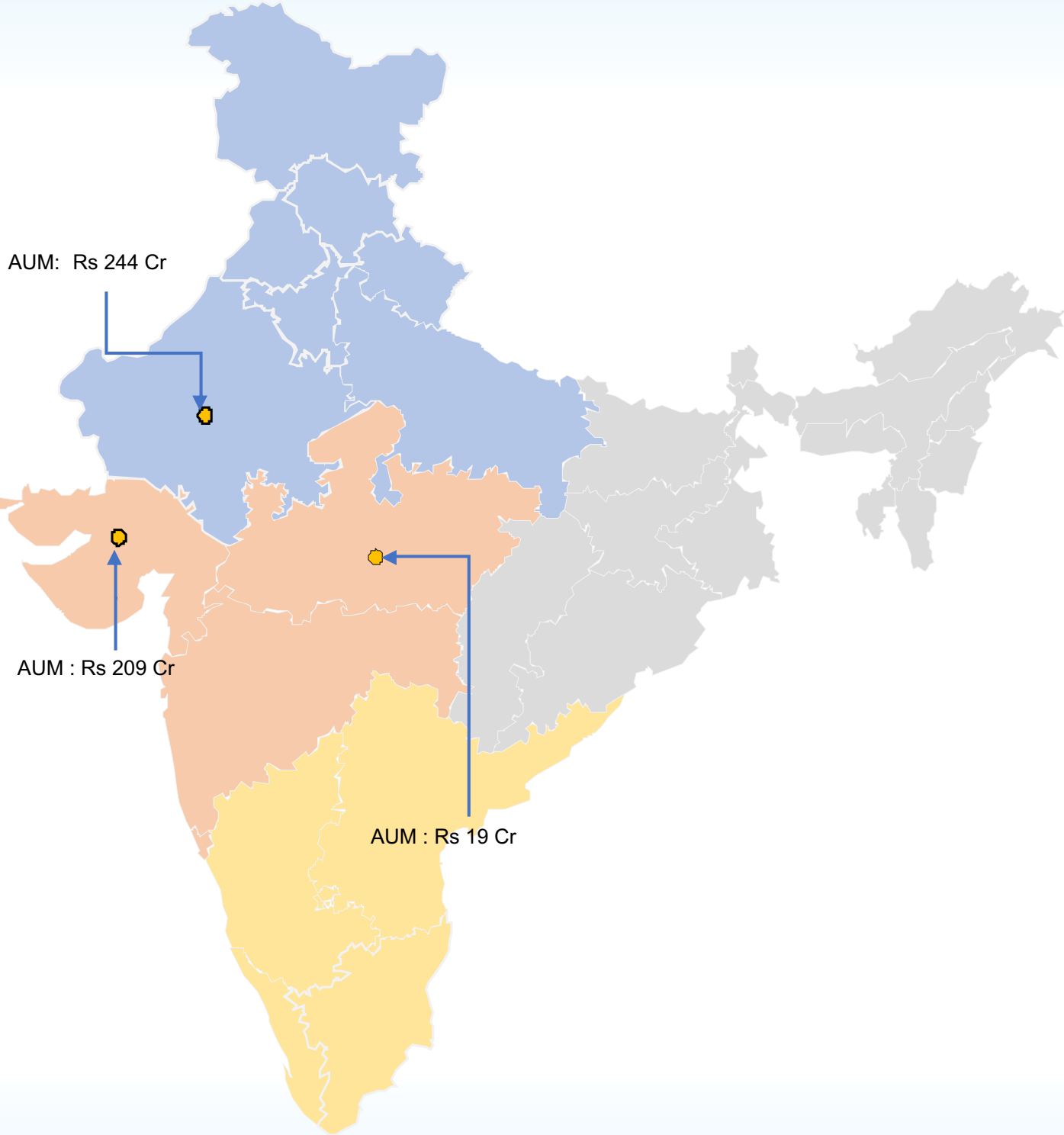


Anuj Kumar
Independent Director



Mukesh M. Shah
Independent Director

Operational Footprint

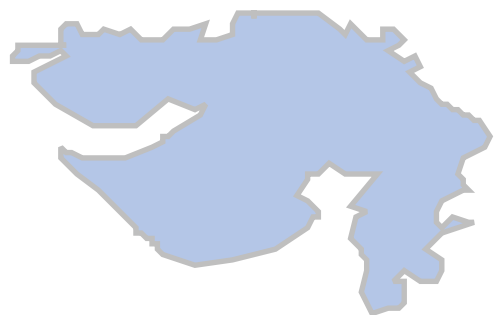


Operational Footprint



RAJASTHAN

Branches		Loan Outstanding		Disbursement	
32		161.2%		148.1%	
FY19	FY20	FY19	FY20	FY19	FY20
31	63	93	244	98	244



GUJARAT

Branches		Loan Outstanding		Disbursement	
11		29.3%		24.6%	
FY19	FY20	FY19	FY20	FY19	FY20
40	51	161	209	153	190



MADHYA PRADESH

Branches		Loan Outstanding		Disbursement	
2		493.2%		505.2%	
FY19	FY20	FY19	FY20	FY19	FY20
3	5	3.2	19	3	20

Portfolio At Risk [PAR] Trend

PAR Trend (%)	FY18	FY19	FY20
PAR > 30	2.1%	1.0%	0.6%
PAR > 90	1.6%	0.9%	0.5%



Awards and Accreditations

It gives us pleasure to inform you that your Company was awarded by Times of India the ET-Enterprise Icons 2019 awarded in the Microfinance Category. This is one of the most credible recognitions for the Company in the year and a proof of all the hard work being put in by each single person working at our 108 branches and our Headoffice.

At the same time, we want to assure you that our teams at all our branches and our Headoffice are prepared and raring to scale many more milestones in the coming years.



Human Resource

Light Microfinance cultivates a culture which enables employees to provide their knowledge and skills towards the achieving vision and mission of the organization.

During the year under review in Financial Year 2019-2020, the manpower of your Company grew by 78.5%

EMPLOYEE STRENGTH

FY 2018-2019

Total Employees : 591

FY 2019-2020

Total Employees : 1055



Training to the Employees:

In order to make the employees of your Company work efficiently and develop their full potential, the Company has invested massively in its training and development programs. It gives structured learning and development at the workplace.

The following are some of the highlights of the programs conducted by your Company.

Total Number of Trainings:	188
Total Number of Participants	1861

Total Number of Inductions:	151
Total Number of Participants:	887

Web Trainings during year:	18
Total Number of Participants:	175

Workshops AM/RM/BM/Trainer:	15
Total Number of Participants:	87

Townhall:	4
Total Number of Participants:	887

STEPS TAKEN BY LIGHT MICROFINANCE DURING COVID CRISIS:

- 1) To stay connected and keep the motivation level high, HR Admin team contacted all Light Employees on call during entire lock down period.
- 2) In order to ensure safety measures for everyone, the Company provided a subsidy of Rs. 500/- per month from April 2020 to July 2020 so that all its employees could purchase masks and hand sanitizers.
- 3) In order to ensure the safety of all its employees, the Company installed a sanitizing tunnel and a sensor-based hand sanitizing machine at the headoffice.
- 4) The Company shifted to GPS based online attendance system, to avoid usage of biometric machine for employee's safety.
- 5) Thermal Gun has been made available at branches to check the temperature on daily basis, not only safety of employees but for visitors too.
- 6) To keep employees engaged, aware and motivated, Company created Facebook page for various activities and constant reminders to remain safe and follow the safety protocols. One of the activities conducted was "Wash your Hands Challenge".
- 7) Before business resumed, the Company prepared a detailed workplace protocol for safety of all the employees and family members.
- 8) Your Company purchased group medical policy covering Covid-19 illness from the very outset to cover the life of all its employees and their family members.
- 9) All the door handles and washrooms are sanitized every hour to ensure the safety of all the employees of the Company.

Corporate Details

· 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, Prahladnagar, Ahmedabad-380015
· Email	compliance@lightmicrofinance.com
· Website	www.lightmicrofinance.com
· Contact No.	079 40050059

BOARD OF DIRECTORS

Managing Director

- Deepak Amin

Executive Directors

- Rakesh Kumar
- Aviral Saini

COMMITTEES

Audit Committee

- Anuj Kumar
- Mukesh Shah
- Deepak Amin

Risk Management Committee

- Anuj Kumar
- Deepak Amin
- Rakesh Kumar
- Aviral Saini

BANKERS

- HDFC Bank Limited

Address:

Astral Tower, opp. Reliance General Insurance, Nr. Mithakhali Six Road, Ahmedabad- 380009

- State Bank of India

Address:

Ground Floor, Aashirwad Paras, Corporate Road, Near Prahladnagar Garden, Satellite, Ahmedabad - 380015

- ICICI Bank Ltd

Address:

3 Devaurum, 100 Feet Rd, Prahladnagar, Ahmedabad- 380015

Non-Executive Independent Directors

- Anuj Kumar
- Mukesh Shah
(w.e.f. July 31, 2020)

Chief Executive Officer

- Rakesh Kumar

Chief Financial Officer

- Aviral Saini

Company Secretary & Compliance Officer

- Madhavi Gajjar

Auditors:

- **Statutory Auditor** : Kantilal Patel & Co.
- **Internal Auditor** : Sorab S. Engineer & Co.
- **Secretarial Auditor** : Alpesh Dhandhlya & Associates

Nomination and Remuneration Committee

- Anuj Kumar
- Mukesh Shah

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

Directors' Report

To
The Members,
LIGHT MICROFINANCE PRIVATE LIMITED

Your Board of Directors (the "Board") takes pleasure in presenting the 26th Directors Report of the Company along with the Audited Financial Statements for the year ended March 31, 2020.

BUSINESS OVERVIEW:

Financial Year 2019-20 saw an increase in the profitability as compared to the previous year. 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.

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Directors' Report

● **FINANCIAL HIGHLIGHTS:**

(All figures in INR)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Income		
Revenue from Operations	73,92,81,611	42,57,43,682
Other Income	2,92,19,326	1,22,88,585
Total Revenue	76,85,00,937	43,80,32,266
Expenses		
Employee Benefit Expenses	23,13,00,229	12,35,37,096
Finance Cost	33,63,87,168	22,42,51,760
Depreciation & Amortization Expenses	74,38,437	35,65,896
Other Expenses	12,60,23,449	6,22,29,729
Provisions and Write offs	1,61,80,426	90,000
Total Expenses	71,73,29,708	41,36,74,481
Profit Before Tax (PBT)	5,11,71,228	2,43,57,785
Current Tax	1,28,79,798	59,99,050
Deferred tax (Asset)/Liability	(24,69,522)	(3,57,964)
Expenses/(short) Provisions of earlier year	5,49,973	(44,049)
Profit After Tax (PAT)	4,02,10,979	1,87,60,748
EPS:		
Basic	1.61	0.75
Diluted	1.20	0.86

Particulars	March 31, 2020	December 31, 2019	March 31, 2019
Shareholders' Funds	647,283,205	543,805,964	371,615,583
Non-current Liabilities	1,723,240,828	1,728,355,313	894,438,815
Current Liabilities	1,622,551,908	1,458,366,433	1,042,654,668
Non-Current Assets	1,428,901,901	1,464,241,803	860,591,429
Current Assets	2,564,174,040	2,266,285,907	1,448,117,639
Income	768,500,937	516,643,166	438,032,266
Expense	717,329,708	496,407,107	413,674,481

Directors' Report

● **RESULTS OF OPERATIONS:**

● Revenue:

During the year under review, turnover of the Company has been increased by Rs. 33,04,68,671, an increase of 75% as compared to previous financial year. Your Company posted a turnover of Rs. 76,85,00,937 in the year ended on March 31, 2020, as compared to Rs. 43,80,32,266 in the previous year.

● Profit after tax:

During the year under review, profit of the company has been increased by Rs. 2,14,50,231, an increase of 114% as compared to previous financial year. Your Company's profit after tax for the year ended March 31, 2020 was recorded at Rs. 4,02,10,979 as compared to Rs. 1,87,60,748 in the previous year.

● Other Financial Highlights:

Other income was at Rs. 2,92,19,326 as against Rs. 1,22,88,585 in the previous year, primarily due to Interest on FD and Profit on sale of Investments.

Finance Cost was at Rs. 33,63,87,168 as against Rs. 22,42,51,760 in the previous year, primarily on account of the higher loan disbursements balances and other finance costs.

Depreciation and amortization were higher by Rs. 38,72,541 as compared to previous year. The actual cost was at Rs. 74,38,437 as compared to Rs. 35,65,896 in the previous year, due to addition of 45 branches and Investment in Technology

Basic Earnings Per Share (EPS) for the year ended March 31, 2020 was at Rs. 1.61 as against Rs. 0.75 in previous year. Diluted Earnings Per Share (EPS) for the year ended March 31, 2020 was at Rs. 1.20 as against Rs. 0.86 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.

● **OPERATIONAL PERFORMANCE FOR THE FISCAL YEAR 2019-20 IS SUMMARIZED IN THE FOLLOWING TABLE:**

Particulars	2018-19	2019-20
No. of Branches	92	119
Number of Members	107,068	105792
Number of Employees	591	1055
Number of States	3	3
Amount disbursed (Rs. in crores)	₹ 254 cr.	₹ 454.33 cr.
Portfolio Outstanding (Rs. in crores)	₹ 288.11 cr.	₹ 475.83 cr.

Directors' Report

□ **CHANGES IN SHARE CAPITAL:**

Authorised Share Capital:

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

Board Meeting / Circular Resolution Date	AGM/EGM Date	OLD Authorised Capital	Increase in Authorised Share Capital		New Authorised Capital
			Equity	Preference	
Board Meeting dated August 12, 2019	AGM dated August 16, 2019	27,50,00,000	15,00,00,000	15,00,00,000	57,50,00,000
Circular Resolution dated January 21, 2020	EGM dated February 07, 2020	57,50,00,000	10,00,00,000	12,00,00,000	79,50,00,000

Paid-up Share Capital:

During the year, the paid-up share capital increased as a result of issued 82,65,801 number of Compulsorily Convertible Preference Shares of Rs.10 each at a premium of Rs. 20.85 on December 28, 2019 and January 09, 2020.

Share allotment committee meeting date	Increase in Paid-up share Capital		Total issued share capital as on March 31, 2020
	Equity	Preference	
28.12.2019	0	55,10,5340	33,31,58,000
09.01.2020	0	27,55,2670	

□ **DIVIDEND AND RESERVES:**

Since your Company is a rapidly growing Company and constantly in need of capital to fuel its growth, your Directors recommended against giving any dividend for the financial year 2019-20.

The Company has transferred Rs. 80,42,196/- to the reserves during the Financial Year ended March 31, 2020 in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

□ **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.

□ **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.

Directors' Report

□ **DETAILS OF KEY MANAGEMENT PERSONNEL:**

During the year under review, following changes occurred in the Management:

1. Cessation of directorship of Mr. Sudhin Choksey due to resignation as Independent Director of the Company:

Due to Appointment of Mr. Sudhin Choksey on the board of Bandhan Bank as an executive director of the Company, he had tendered his resignation vide letter dated October 11, 2019 and necessary filing for the same with Ministry of corporate affairs was done by the Company on November 04, 2019. the Board took note of the same in the board meeting held on December 06, 2019.

2. Cessation of directorship Ms. Vijayalakshmi Das due to untimely demise

Due to the untimely demise of Ms. Vijayalakshmi Das on February 08, 2020, she ceased to be Chairperson and Independent Director of the Company. Necessary filing for the same with Ministry of corporate affairs was done by the Company on February 20, 2020 and the Board took note of the same in the board meeting held on February 20, 2020.

3. Appointment of Mr. Mukesh Shah as Additional Independent Director

Mr. Mukesh Shah was appointed as Additional Independent director of the company vide circular resolution passed by the company on July 31, 2020. Necessary filing for the same with Ministry of corporate affairs was done by the Company on August 05, 2020

4. Appointment of Ms. Madhavi Gajjar as Company Secretary and Compliance Officer

Ms. Madhavi Gajjar was appointed as Company Secretary and Compliance Officer of the company dated August 12, 2019 via resolution passed in the meeting of the Board of Directors. Necessary filings for the same was done by the company in due time.

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

<u>SR. NO.</u>	<u>NAME</u>	<u>DESIGNATION</u>
1	Mr. Deepak Amin	Managing Director
2	Mr. Rakesh Kumar	Chief Executive Officer- Executive Director
3	Mr. Aviral Saini	Chief Financial Officer - Executive Director
4	Ms. Madhavi Gajjar	Company Secretary

□ **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.

Directors' Report

☐ **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, 2020 made under the provisions of Section 92(3) of the Act is attached as “Annexure A” attached herewith and which forms part of this Report.

☐ **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 7 (seven) times. The names of the members of the Board, their attendance at the Board Meetings are as under:

Sr. no.	Date and day of Meeting	Vijayalakshmi Das	Sudhin Choksey	Anuj Kumar	Deepak Amin	Rakesh Kumar	Aviral Saini
1	03.04.2019, Tuesday	5	5	5	5	5	5
2	10.06.2019, Monday	5	5	5	5	5	5
3	12.08.2020, Monday	5	5	5	5	5	5
4	06.12.2020, Friday	5	-*	5	5	5	5
5	14.12.2020, Saturday	5	-*	5	5	5	-
6	28.12.2020, Saturday	5	-*	5	-	5	5
7	20.02.2020, Thursday	#	-*	5	5	5	5
Total Meetings Attended		6	3	7	6	7	6

* Mr. Sudhin Choksey resigned as independent Director of the company vide letter dated October 11, 2019.

Ms. Vijayalakshmi Das ceased to be the Independent Director due to untimely demise on February 08, 2020.

☐ **NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:**

During the year under review, Members of the Audit Committee of the Company met 5 (Five) times. The names of the members of the Committee, their attendance at the Audit Committee Meetings are as under:

Sr. no.	Date and day of Meeting	Vijayalakshmi Das	Sudhin Choksey	Anuj Kumar	Deepak Amin
1	03.04.2019, Tuesday	5	5	5	-#
2	10.06.2019, Monday	5	5	-	5
3	12.08.2020, Monday	5	5	5	5
4	06.12.2020, Friday	5	-*	5	5
5	20.02.2020, Thursday	- #	-*	5	5
Total Meetings Attended		4	3	5	4

Directors' Report

* Mr. Sudhin Choksey resigned as Independent Director of the company vide letter dated October 11, 2019.

Ms. Vijayalakshmi Das ceased to be the Independent Director due to untimely demise on February 08, 2020.

*# Mr. Deepak Amin was added as member of Audit Committee in the Board meeting held on April 03, 2019

□ **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 meet 2 (Two) times

The names of the members of the Committee, their attendance at the Nomination and Remuneration Committee Meetings are as under:

Sr. no.	Date and day of Meeting	Vijayalakshmi Das#	Sudhin Choksey*	Anuj Kumar
1	12.08.2019, Monday	✓	✓	5
2	06.12.2019, Friday	✓	-	5
Total Meetings Attended		2	1	2

* Mr. Sudhin Choksey resigned as Independent Director of the company vide letter dated October 11, 2019.

Ms. Vijayalakshmi Das ceased to be the Independent Director due to untimely demise on February 08, 2020.

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

During the year ended 31st March 2019, 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, 2020.

□ **SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:**

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 on January 01, 2019. The details of the Committee and their members are as under:

Members	Designation
Mrs. Anuja Kochhar	HR Head
Dr. Rajeshwari Narendran	External member
Mrs. Madhavi Gajjar	Company Secretary
Mrs. Vrunda Rawal	Compliance Executive

The designated email Id for registering complaints for sexual harassment at workplace is “help@lightmicrofinance.com”

The Company did not receive any complaints in FY 2019-20.

Directors' Report

● **AUDITORS:**

1. Statutory Auditor:

At the Annual General Meeting held on September 30th, 2016, M/s Kantilal Patel & Co., Chartered Accountants (Firm Registration No. 104744W), Ahmedabad, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021.

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Auditor has reported following:

“No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except for few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs.12.66 lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs.6.37 lakhs from some employees.”

The Auditors' Report on the accounts of the Company for the accounting year ended 31st March 2020 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. Alpesh Dhandhlya & Associates, Practicing Company Secretary (COP No. 12119), Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as '**Annexure - B**'.

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 appointed as Internal Auditors of the Company for the F.Y. 2019-20 in the board meeting held on 19th June, 2018. 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.

Directors' Report

□ **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 foreign expenses of Rs. 95,685/- (US Dollars 1,348) and there were no foreign earnings during the year.

□ **CORPORATE SOCIAL RESPONSIBILITY:**

As per Companies Act, 2013, the provision of CSR is not applicable to Light Microfinance Private Limited.

□ **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 has a framework for mitigating controls and reporting mechanism of such risks.

Directors' Report

The Company has constituted Risk Management Committee on the meeting of Board of Directors held on December 6, 2019.

Committee has been constituted with the following members:

1. Anuj Kumar
2. Deepak Amin
3. Rakesh Kumar
4. Aviral Saini

☐ **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:

- s 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.
- s A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment.
- s 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.

☐ **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

☐ **CONSOLIDATED FINANCIAL STATEMENTS:**

Company doesn't have any subsidiaries so there is no need to prepare Consolidated Financial Statement for the F. Y. 2019-20.

☐ **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.

Directors' Report

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed and no material departures have been made from the same.
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The directors had prepared the annual accounts on a going concern basis.
- v. 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.
- vi. The directors had developed proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

☐ **DEPOSITS:**

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 2020.

☐ **DEBENTURES:**

Company has issued Non-Convertible Debentures 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	3572	2	August 12, 2019	August 16, 2019	September 18, 2019

☐ **COMPLIANCE WITH RBI GUIDELINES:**

The Reserve Bank of India (RBI) has granted certificate vide registration No. B-14.03244 dated May 27, 2014, to commence the business of a Non-Banking Micro Financial Institution (NBFC-MFI) without accepting deposits. Your Company is Non-Systemically Important Non-Deposit-Accepting NBFC. Your Company has complied with all applicable regulations of the Reserve Bank of India. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

☐ **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.

Directors' 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 safe guards 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.lightmicrofinance.com. To intimate malpractices & events or protected disclosures as per the Policy employees can write email on whistleblower@lightmicrofinance.com.

□ **SECRETARIAL STANDARDS:**

Secretarial Standards for the Board of Directors and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both Secretarial Standards.

□ **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.

□ **INTERNAL FINANCIAL CONTROL:**

Your Company has laid down a set of standards, processes and structure which enables it to implement internal financial control across the organization and ensure that the same are adequate and operating effectively. To maintain the objectivity and independence of Internal Audit, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company and their compliance with the operating systems, accounting procedures and policies of the Company. Based on the report of Internal Auditor, the process owners undertake the corrective action in their respective areas and thereby strengthen the control. Significant audit observation and corrective actions thereon are presented to the Audit Committee of the Board. However, during the year, no significant audit observation was found for this report.

Directors' Report

□ **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**



DEEPAK AMIN
MANAGING DIRECTOR
DIN - 01289453

RAKESH KUMAR
EXECUTIVE DIRECTOR
DIN - 03430670

AVIRAL SAINI
EXECUTIVE DIRECTOR
DIN - 03534719

DATE: - _____ 2020
PLACE: - AHMEDABAD

ANNEXURE-A

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31/03/2019**

[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 & Corporate office and contact details	Registered office: 308 Aggarwal Tower, Plot No.2 Sector - 5, Dwarka New Delhi - 110075 Corporate Office: 310, Pinnacle Business Park, Corporate road, Prahladnagar, Ahmedabad-380015 Contact No.: 079-40050059. Email: info@lightmicrofinance.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:-

S.R. 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	99711352	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. N0.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
--Nil--					

IV. SHARE HOLDING PATTERN (Equity and Compulsorily convertible Preference Share Capital Breakup as percentage of Total share capital)

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
	D e m a t	Physical	Total	% of Total Shares	D e m a t	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	1,28,99,999	1,28,99,999	51.50%	0	1,28,99,999	1,28,99,999	38.72 %	-12.78 %
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-

Annexure-A

Sub-total (A) (1):-	0	1,28,99,999	1,28,99,999	51.50%	0	1,28,99,999	1,28,99,999	38.72 %	-12.78 %
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	1,28,99,999	1,28,99,999	51.50%	0	1,28,99,999	1,28,99,999	38.72%	-12.78 %
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	1,28,99,999	1,28,99,999	51.50%	0	1,28,99,999	1,28,99,999	38.72%	-12.78 %
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-

Annexure-A

Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	55,31,935	55,31,935	22.08 %	-	1,37,97,736	1,37,97,736	41.41 %	19.33 %
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	0	66,18,065	66,18,065	26.42 %	0	66,18,065	66,18,065	19.86 %	-6.56 %
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	0	1,21,50,000	1,21,50,000	48.50 %	0	2,04,15,801	2,04,15,801	61.27 %	12.77 %
Total Public Shareholding(B)= (B)(1)+(B)(2)	0	1,21,50,000	1,21,50,000	48.50 %	0	2,04,15,801	2,04,15,801	61.27 %	12.77 %
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	2,50,49,999	2,50,49,999	100 %	0	3,33,15,800	3,33,15,800	100 %	-

(ii) Shareholding of Promoters:

Name	Shareholding as at April 01, 2019		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2020	
	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	51.50 %	NIL	NIL	NIL	NIL	NIL	1,28,99,999	51.50%
			NIL	NIL	NIL	NIL	NIL		

(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, 2019		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2019	
	No. of Shares	% of shares	Date	No. of shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
Kaushik Amin	58,88,065	23.51 %	NIL	NIL	NIL	NIL	NIL	58,88,065	23.51 %
VARKNAL Holdings Inc.	5,531,935	22.08 %	NIL	NIL	NIL	NIL	NIL	5,531,935	22.08 %
Geeta Amin	7,30,000	2.91 %	NIL	NIL	NIL	NIL	NIL	7,30,000	2.91 %
Pettelaar Effectenbewaardrijf N.V.	2,755,267	8.27	28.12.2019	2,755,267	Allotment	2,755,267	8.27%	2,755,267	8.27%

NMI Fund IV KS	2,755,267	8.27	28.12.2019	2,755,267	Allotment	2,755,267	8.27%	2,755,267	8.27%
agRIF Coöperatief U.A.	2,755,267	8.27	09.01.2020	2,755,267	Allotment	2,755,267	8.27%	2,755,267	8.27%

(iv) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding as at April 01, 2019		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2020	
	No. of Shares	% of shares	Date	No. of shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
Rakesh Kumar	-	-	-	-	-	-	-	-	-
Aviral Saini	-	-	-	-	-	-	-	-	-
Sudhin Choksey	-	-	-	-	-	-	-	-	-
Vijayalakshmi Das	-	-	-	-	-	-	-	-	-
Anuj Kumar	-	-	-	-	-	-	-	-	--
Madhavi Gajjar	-	-	-	-	-	-	-	-	--

V. INDEBTEDNESS:
Indebtedness of the Company including interest outstanding/accrued but not due for payment

					<i>Amt in Lakhs</i>
Particulars	Secured Loans	Unsecured	Deposits	Total	
	excluding	Loans		Indebtedness	
	deposits				
Indebtedness at the beginning of the financial year					
i) Principal Amount	1,708,060,436	125,000,000		1,833,060,436	
ii) Interest due but not paid					
iii) Interest accrued but not due	11,863,249			11,863,249	
iv) Short term borrowing					
Total (i+ii+iii)	1,719,923,685	125,000,000		1,844,923,685	
Change in Indebtedness during					

the financial year					
• Addition	2,487,200,000				2,487,200,000
• Reduction	1,213,941,697				1,213,941,697
⌊Reduction in short-term borrowing					
⌊Interest due but not paid					
Net Change					
Indebtedness at the					
end of the financial year					
i) Principal Amount	2,981,318,740	125,000,000			3,106,318,740
ii) Interest due but not paid					
iii) Interest accrued but not due	9,859,549	1,857,877			11,717,426
iv) Short term borrowing					
Total (i+ii+iii)	2,991,178,289	126,857,877	-		3,118,036,166

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Annexure-A

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	26,79,000 48,21,000 -	 75,00,000
2.	Stock Option	N.A.	N.A.
3.	Sweat Equity	N.A.	
4.	Commission - as % of profit - others, specify...	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.
	Total (A)	75,00,000	75,00,000
	Ceiling as per the Act	N.A.	N.A.

Annexure-A

B. Remuneration to other directors:

		(Amounts in Rs.)						
Particulars of Remuneration	Name of Directors							Total Amount
	Mukesh M. Shah (Independent Director)	Vijayalakshmi Das (Independent Director) #	Sudhin Choksey (Independent Director) *	Anuj Kumar (Independent Director)	Rakesh Kumar (Executive Director /CEO)	Aviral Saini (Executive Director / CFO)	Deepak Amin (Managing Directors w.e.f. 15.02.2019)	
1. Independent Directors								
• Fee for attending board / committee meetings		198000	112,500	198000	-	-		
• Commission								
• Others, please specify								
2. Total (1)		198000	112,500	198000	0	0		508,500
3. Other Non-Executive Directors								
• Fee for attending board / committee meetings		-	-	-	-	-	-	-
• Commission		-	-	-	-	-	-	-
• Salary		-	-	-	-	-	-	-
4. Total (2)		0	0	0	0	0	0	0
5. Total (B)=(1+2)		198000	112,500	198000	0	0	0	508,500

Annexure-A

[illegible]

Mr. Sudhin Choksey resigned as independent Director of the company vide letter dated	October 11, 2019.
# Ms. Vijayalakshmi Das ceased to be the Independent Director due to untimely demise on	February 08, 2020.

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

S. No.	Particulars of Remuneration	(Amounts in Rs.)	Total Amount
		Madhavi Gajjar (Company Secretary)	
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	3,48,206	3,48,206
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	3,48,206	3,48,206
6.	Total Managerial Remuneration	3,48,206	3,48,206

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
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: - September 4, 2020
Place :- Ahmedabad

Secretarial Audit Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

[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 31 March, 2020 ('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 31 March, 2020 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder; (Not Applicable to the Company during the Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during the Audit Period).
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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; (Not Applicable to the Company during the Audit Period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company during the Audit Period)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - 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; (Not applicable to the Company during the Audit Period)

26th Annual General Meeting on Wednesday, September 30, 2020 at 2:00 p.m. through video conferencing/other Audio-Visual Means

Secretarial Audit Report

- 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. (Not Applicable to the Company during the Audit Period)

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.

Place: Ahmedabad
Date: 24/07/2020

FOR, ALPESH DHANDHYA & ASSOCIATES
COMPANY SECRETARIES

CS ALPESH DHANDHYA
(PROPRIETOR)

CP NO. 12119
UDIN:A032500B000502167

26th Annual General Meeting on Wednesday, September 30, 2020 at 2:00 p.m. through video conferencing/other Audio-Visual Means

Secretarial Audit Report

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.

Place: Ahmedabad
Date: 24/07/2020

FOR, ALPESH DHANDHLYA & ASSOCIATES
COMPANY SECRETARIES

CS ALPESH DHANDHLYA
(PROPRIETOR)

CP NO. 12119
UDIN:A032500B000502167

Independant Auditors' Report

To the Members of Light Micro Finance Private Limited

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of Light Micro Finance Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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.

Emphasis of Matter

We draw attention to the Note 21(P) in the financial statements, in respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts as at March 31, 2020 is based on the days past due status as on February 29, 2020, in accordance with Reserve Bank of India COVID-19 Regulatory Package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independant Auditors' Report

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of 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 express an opinion on these financial statements based on our audit. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure B"; and

Independant Auditors' 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, in our opinion and to the best of our information and according to the explanations given to us:
- I. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21(F) to the financial statements;
 - ii. the Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
 - iii. the Company is not required to transfer any amount to Investor Education & Protection Fund.

**For KANTILAL PATEL & CO.,
CHARTERED ACCOUNTANTS**
Firm Reg. No.: 104744W

Place: Ahmedabad
Date: June 30, 2020

Jinal A Patel
Partner
Membership No.: 153599

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- © According to the information and explanations given to us and on the basis of our examination of the records of the Company there is no freehold Land and buildings or leasehold land as at the balance sheet date.
- ii. The Company is a Non-Banking Finance Company, which does the business of loan finance. Accordingly, it does not require holding inventories. Thus, Paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of the Act in respect to the loans and investments made.
- v. The company has not accepted deposits from public during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of clause 3(v) of the order are not applicable to the company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act 2013.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, goods & service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods & service tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- b) The details of disputed statutory dues as at March 31, 2020 that have not been deposited by the company, are as under:
- viii. In our opinion and according to information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to any bank or financial institution during the year. The company has issued debentures during the year.
- ix. According to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments), further money raised by way of term loans have been applied by the Company during the year for the purpose of which they were raised.

Annexure - A to the Auditors' Report

- x. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except for few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs.12.66 lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs.6.37 lakhs from some employees.
- xi. As Section 197 is not applicable to the Private Limited Company for providing Managerial Remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has made private placement of preference shares. In our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.
- xv. Based on the examination of the records and according to the information and explanations given by the management, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in the Section 192 of the Companies Act, 2013.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.: 104744W

Place: Ahmedabad
Date: June 30, 2020

Jinal A Patel
Partner
Membership No.: 153599

Annexure - B to the Auditors' Report

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 Micro Finance Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

Annexure - B to the Auditors' Report

the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS**

Firm Reg. No.: 104744W

Place: Ahmedabad
Date: June 30, 2020

Jinal A Patel
Partner
Membership No.: 153599

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD			
CIN- U67120DL1994PTC216764			
Balance Sheet as at March 31, 2020			
(Amounts in Rupees unless otherwise stated)			
	Notes	March 31, 2020	March 31, 2019
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	2	333,158,000	250,499,990
Reserves & Surplus	3	314,125,205	121,115,593
		647,283,205	371,615,583
Non-current Liabilities			
Long Term Borrowings	4	1,723,240,828	894,438,815
		1,723,240,828	894,438,815
Current Liabilities			
Trade Payables	6	-	-
(i) Total outstanding dues of creditors Micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises		11,825,020	11,398,730
Short Term Provisions	5	32,720,312	20,363,795
Other Current Liabilities	7	1,578,006,576	1,010,892,143
		1,622,551,908	1,042,654,668
TOTAL		3,993,075,941	2,308,709,068
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment's			
Tangible Assets	8	13,739,027	6,521,809
Intangible assets	8	6,420,760	3,555,002
Long Term Loans and Advances	9	1,207,155,685	714,139,328
Deferred Tax Asset	10	8,710,699	6,241,177
Other Non-Current Assets	11	123,310,658	130,134,112
		1,359,336,829	860,591,429
CURRENT ASSETS			
Current Investments	12	-	19,106,623
Cash and Bank Balances	13	360,592,068	293,804,693
Trade Receivables	14	16,632,785	21,693,798
Short Term Loans & Advances	9	1,886,817,904	1,000,807,758
Other Current Assets	11	369,696,354	112,704,768
		2,633,739,111	1,448,117,639
TOTAL		3,993,075,941	2,308,709,068
Notes Forming Part of the Financial Statements	1 to 21		

As per our attached report of even date

For Kantilal Patel & Co.
Chartered Accountants
 FRN No. 104744W

Jinal A. Patel
 Partner
 Membership No. : 153599

Place: Ahmedabad
 Date:

For Light Microfinance Pvt. Ltd.

Mr. Deepak Amin
 (Managing Director)
 DIN- 01289453

Mr. Rakesh Kumar
 (Executive Director)
 DIN-03430670

Mr. Aviral Saini
 (Executive Director)
 DIN-03534719

Ms. Madhavi Gajjar
 (Company Secretary)
 Membership no.: A54522

Financial Statement-FY 2019-20

LIGHT MICRO FINANCE PVT LTD			
CIN- U67120DL1994PTC216764			
Statement of Profit & Loss for the Period ended March 31, 2020			
<i>(Amounts in Rupees unless otherwise stated)</i>			
	Notes	43921	43555
Income			
Revenue from Operations	15	739281610.9	425743681.6
Other Income	16	29219325.76	12288584.57
Total Revenue (I)		768500936.7	438032266.1
Expenses			
Employee Benefit Expense	17	231300229	123537096.1
Finance Costs	18	336387168	224251759.8
Depreciation & Amortization Expenses	8	7438436.891	3565896.438
Other Expenses	19	126023448.5	62229728.56
Provisions and write offs	20	16180426	90000
Total Expenses (II)		717329708.4	413674480.8
Profit Before Tax (III) = (I) - (II)		51171228.26	24357785.28
Tax Expenses			
Current Tax		12879798.15	5999050.107
Deferred Tax (Asset)/Liability		-2469521.793	-357963.9274
Expense/(Short)Provisions of earlier year		549973.0898	-44048.9
		10960249.45	5597037.279
Profit After Tax		40210978.81	18760748
Earnings Per Share (of Rs. 10/- each):			
Basic	21	1.605228759	0.748932086
Diluted EPS	21	1.19947757	0.860309086
Notes Forming Part of the Financial Statements	1 to 21		

As per our attached report of even date

For Kantilal Patel & Co.
Chartered Accountants
 FRN No. 104744W

Jinal A. Patel
 Partner
 Membership No. : 153599

Place: Ahmedabad
 Date:

For Light Microfinance Pvt. Ltd.

Mr. Deepak Amin
 (Managing Director)
 DIN- 01289453

Mr. Rakesh Kumar
 (Executive Director)
 DIN-03430670

Mr. Aviral Saini
 (Executive Director)
 DIN-03534719

Ms. Madhavi Gajjar
 (Company Secretary)
 Membership no.: A54522

Financial Statement-FY 2019-20

LIGHT MICRO FINANCE PVT LTD		
CIN- U67120DL1994PTC216764		
Cash flow Statement for the year ended March 31, 2020		
(Amounts in Rupees unless otherwise stated)		
	March 31, 2020	March 31, 2019
Cash flow from Operating Activities		
Profit Before tax	51,171,228	24,357,785
Depreciation and amortization	7,438,437	3,565,896
Prior Period Tax Adjustment	(549,973)	44,049
Profit on sale of Assets	(3,306)	
Operating Profit before Working Capital Changes	58,056,386	27,967,731
Movements in Working Capital:		
Increase/(Decrease) in current liabilities	578,183,977	(25,898,446)
Increase/(Decrease) in trade payables	426,291	5,794,470
Decrease/(Increase) in trade receivables	5,061,013	(498,297)
Decrease/(Increase) in loans and advances	(1,379,026,503)	(596,130,009)
Decrease/(Increase) in other current assets	(256,991,587)	(73,991,475)
Decrease/(Increase) in other non current asset	6,823,454	(72,496,808)
Cash Generated/(Used in) Operations:	(987,466,970)	(735,252,834)
Direct Taxes Paid (net of refunds)	11,592,825	6,347,859
Net Cash Flow from/(used in) Operating Activities	(999,059,795)	(741,600,693)
Cash flow from Investing Activities		
Purchase of property, plant and equipment	(12,494,978)	(5,958,141)
Purchase of intangible asset	(5,033,128)	(2,174,525)
Sale of property, plant and equipment	10,000	539,352
Decrease/(Increase) in Investment in Mutual Fund (Net)	19,106,623	43,350,414
Net Cash Flow from/(used in) Investing Activities	1,588,517	35,757,100
Cash flow from Financing Activities		
Long term Borrowings (Net)	828,802,012	696,051,428
Loan Repayable at demand	-	49,992,530
Proceeds from issuance of equity share capital	82,658,010	142,049,479
Security Premium	152,798,631	
Net Cash Flow from/(used in) financing Activities	1,064,258,653	888,093,437
Net Increase/(decrease) in cash and cash equivalents	66,787,375	182,249,844
Cash and Cash equivalents at the beginning of the year	293,804,693	111,554,849
Cash and Cash equivalents at the end of the year	360,592,068	293,804,693
Note: 1. Cash Flow Statement is prepared as per " Indirect Method " as per Accounting standard - 3 issued by the Companies Accounting Standard Rules, 2006. 2. Figures in brackets represents outflow. 3. Previous year figures have been restated wherever necessary to make them comparable with current year figures.		

As per our attached report of even date

For Kantilal Patel & Co.
Chartered Accountants
FRN No. 104744W

Jinal A. Patel
Partner
Membership No. : 153599

Place: Ahmedabad
Date:

For Light Microfinance Pvt. Ltd.

Mr. Deepak Amin
(Managing Director)
DIN- 01289453

Mr. Rakesh Kumar
(Executive Director)
DIN-03430670

Mr. Aviral Saini
(Executive Director)
DIN-03534719

Ms. Madhavi Gajjar
(Company Secretary)
Membership no.: A54522

NOTE 1: NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: SIGNIFICANT ACCOUNTING POLICIES

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 3 states.

b. Basis of Preparation

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 accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

c. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of 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 outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investment are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Statement of Profit and Loss. Long-term Investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Statement of Profit and Loss. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

e. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Interest income on loans, assigned or otherwise, is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non-Banking Financial Companies – Micro finance Institutions (NBFC - MFIs) Directions, 2011. Loans are classified into 'Performing and Non-Performing' assets in terms of the said Directions. Loans in respect of which interest/principal have remained overdue for a period of 90 days or more are considered as Non-Performing Assets.
- ii. Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

- iii. Profit/premium arising at the time of securitization of loan portfolio is amortized over the life of the underlying loan portfolio.
- iv. Revenues from loan documentation charges are recognized as upfront income.
- v. All other income is recognized on an accrual basis.

f. Property Plant & Equipment

Tangible Assets

All tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets

Computer Software costs are capitalised and amortised over the useful life of five years.

Depreciation on tangible fixed assets is provided on the written down value method using the rates arrived at based on the useful life of assets prescribed under Schedule II of the Companies Act, 2013.

g. Impairment of Assets

The carrying amounts of 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 assets exceeds its recoverable amount. After impairment depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

During the year there was no impairment of assets of the company.

h. Borrowing Costs

Interest Costs are charged to the Statement of Profit and Loss Account on accrual basis. Prepaid Loan Processing Fees and Syndication charges represent ancillary costs incurred in connection with the arrangement of borrowings and is amortized on straight line basis over the tenure of the respective borrowings. Unamortized borrowing cost, if any, is fully expensed off as and when the related borrowing is prepaid/cancelled.

i. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time the transactions are effected.

j. Retirement and Other Employee Benefits

Contributions to the Regional Provident Fund Commissioner to secure retiral benefits in respect of Employees' Provident Fund, based on the statutory provisions as per the Employee Provident Fund Scheme, are charged to revenue.

The Company accounts for its liability for funded gratuity based on actuarial valuation.

k. Taxes

Income Tax comprises the current tax provision and the net change in the deferred tax or liability during the year. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each balance sheet date for their realizability.

l. Earnings Per Share

The company reports basic and diluted earnings per share (“EPS”) in accordance with Accounting Standard – 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares, Compulsory Convertible Preference Share and Employee Stock Option Plan (ESOP) outstanding during the year.

m. Lease

Corporate Office and Branch office premises are obtained under operating lease. They are on cancellable term for the period of 11 months & other for 2 years & 11 months. Currently, there are no sub leases.

Lease payment during the year is charged to Statement of Profit & Loss:

Particulars	2019-20	2018-19
Operating Lease expenses recognized in the statement of profit and loss	2,54,68,188	1,59,62,076

n. 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 not discounted to their present value and are determined on the basis of the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

o. Contingent Liabilities

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.

p. Classification of Loan Portfolio

Asset Classification	Criteria
Standard Assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business
Non – Performing Assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

q. Segment Information

The company operates in a single reportable segment, i.e. financing, which has similar risks and returns for the purpose of AS 17 on “Segment Reporting” specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment, i.e., domestic.

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD Notes to financial statements for the Period ended March 31, 2020

(Amounts in Rupees unless otherwise stated)

2. Share Capital	March 31,2020	March 31,2019
Authorised Share Capital		
Equity Share		
5,25,00,000 (Mar 31,2019 2,75,00,000) Equity Shares of Rs 10 each	525,000,000	275,000,000
Compulsory Convertible Preference Share		
2,70,00,000 (Mar 31, 2019 0) Convertible Preference Share of Rs 10 each	270,000,000	-
Total Authorised Share Capital	795,000,000	275,000,000
Issued, Subscribed and Fully Paid-up Share Capital		
Equity Share		
2,50,49,999 (Mar 31, 2019: 2,50,49,999) Equity Shares of Rs 10 each	250,499,990	250,499,990
Compulsory Convertible Preference Share		
82,65,801 Compulsory Convertible Preference Shares of Rs 10 each (issued in Jan 2019 bearing coupon dividend rate of 0.001%)	82,658,010	-
Total Paid up Share Capital	333,158,000	250,499,990

Total Issued, Subscribed and Fully Paid-up Share Capital

(a) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting year

	March 31,2020		March 31,2019	
	No.of Shares	Rs	No.of Shares	Rs
At the beginning of the year	25,049,999	250,499,990	18,400,000	184,000,000
Issued During the year	-	-	6,649,999	66,499,990
Outstanding at the end of the year	25,049,999	250,499,990	25,049,999	250,499,990

(a) (i) Reconciliation of the number of Compulsory Convertible Preference shares and amount outstanding at the beginning and at the end of the reporting year

	March 31,2020		March 31,2019	
	No.of Shares	Rs	No.of Shares	Rs
At the beginning of the year	-	-	-	-
Issued During the year	8,265,801	82,658,010	-	-
Outstanding at the end of the year	8,265,801	82,658,010	-	-

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

Class of shares / Name of shareholder	March 31,2020		March 31,2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs.10 each fully paid				
Deepak I. Amin	1,289,998	51.50%	1,289,998	51.50%
VARUNAL Holdings Inc.	5,531,935	22.08%	5,531,935	22.08%
Kaushik I. Amin	5,888,065	23.51%	5,888,065	23.51%
Compulsory Convertible preference shares of Rs.10 each fully paid				
NMI Fund IV KS	2,755,267	33.33%	5,510,534	
Pettelaar Effectenbesteding N.V.	2,755,267	33.33%		
Agrif Cooperatief UA	2,755,267	33.33%		

(c) 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.

(d) The Company has issued 82,65,801 (Eighty-Two Lakh Sixty-Five Thousand Eight Hundred and One Only) Compulsorily Convertible Preference Shares (CCPS) of Rs.30.85/- each Including Premium of Rs.20.85/- each and Face value of Rs.10/- each aggregating up to Rs. 25,49,99,961/- (Rupees Twenty-Five Crore Forty-Nine lakh Ninety Nine Thousand Nine Hundred Sixty One Only) on Private Placement Basis during the year bearing coupon dividend rate of 0.001%

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD

Notes to financial statements for the Period ended March 31, 2020

(Amounts in Rupees unless otherwise stated)

3. Reserves and Surplus	March 31, 2020	March 31, 2019
Statutory Reserve		
Balance as per the last financial statements	10,408,851	6,656,702
Add: Amount Transferred from balance in the statement of profit and loss	8,042,196	3,752,149
Closing Balance	18,451,047	10,408,851
Security Premium		
Balance as per the last financial statements	75,549,489	-
Add: Security Premium received	-	76,075,989
Less: Security Premium utilized under section 52 of The Companies Act, 2013	19,543,318	526,500
Closing Balance	56,006,171	75,549,489
Security Premium On Preference share		
Balance as per the last financial statements	-	-
Add: Security Premium received	172,341,951	-
Less: Security Premium utilized	-	-
Closing Balance	172,341,951	-
Profit & Loss Account		
Balance as per the last financial statements	35,157,253	20,148,654
Add: Profit for the year	40,210,979	18,760,748
Less: Transfer to Statutory Reserves	(8,042,196)	(3,752,149)
Closing Balance	67,326,036	35,157,253
Total Reserves and Surplus	314,125,205	121,115,593
4. Long-term Borrowings		
	March 31, 2020	March 31, 2019
Term Loans		
Indian Rupee Loan from Banks (Secured)	1,427,197,990	493,529,156
Indian Rupee Loan from Banks (Unsecured)	126,857,877	125,000,000
Indian Rupee Loan from NBFCs (Secured)	1,196,920,750	1,214,531,281
Indian Rupee Loan from NBFC (Unsecured)	-	-
Non Convertible Debentures		
3572 No's, 13.95% (Sept 18, 2019: 3572) Non Convertible Debentures of Rs 100,000/- redeemable in 4 Instalments by September, 2022	357,200,000	-
Total Borrowings	3,108,176,617	1,833,060,437
Less: Current Maturities of Long Term Borrowings	(1,384,935,789)	(938,621,622)
Total Long term Borrowings	1,723,240,828	894,438,815
The above amount includes		
Secured Borrowings	2,981,318,740	1,708,060,437
Unsecured Borrowings	126,857,877	125,000,000
	3,108,176,617	1,833,060,437
Amount disclosed under the head "Other Current Liabilities" (Note 7)	(1,384,935,789)	(938,621,622)
Total	1,723,240,828	894,438,815

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD		
Notes to financial statements for the Period ended March 31, 2020		
5. Provisions	Current	
	March 31, 2020	March 31, 2019
Provision against Portfolio Loans (refer Note 20)	31,433,339	20,273,795
Provision for taxation	1,286,973	-
Provision Against Fraud accrued during the year	-	90,000
TOTAL	32,720,312	20,363,795
6. Trade Payables	March 31, 2020	March 31, 2019
Trade Payables		
(i) Total outstanding dues of creditors Micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	11,825,020	11,398,730
TOTAL	11,825,020	11,398,730
7. Other Current Liabilities	March 31, 2020	March 31, 2019
Employee Benefits Payable	11,827,221	2,431,801
Other Liabilities:		
Current Maturities of Long Term Borrowings	1,384,935,789	938,621,622
Cash Credit from Bank (Secured by hypothecation of book debts)	100,400,026	49,992,530
Interest Accrued But Not Due on Borrowings	9,859,549	11,863,249
Statutory Dues Payable	3,943,174	5,370,583
Unrealised Gain on Securitization Transactions	-	214,842
Other Payable	67,040,817	2,397,516
TOTAL	1,578,006,576	1,010,892,143

Financial Statement-FY 2019-20

Details of terms of redemption / repayment and Security provided in respect of long - term borrowing

Particulars		Amount Current	Amount Non Current	Terms of Redemption / Repayment
Term loans from banks				
Bandhan Bank	Term loan From Bank-I	54,545,453	27,272,727	Repayable in 24 monthly instalment from 30/08/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 16 Months & 30 Days
Bandhan Bank	Term loan From Bank-II	54,545,452	18,181,818	Repayable in 24 monthly instalment from 29/06/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 14 Months & 29 Days
Bank of Maharashtra	Term loan From Bank-III	17,589,526	28,571,420	Repayable in 36 monthly instalment from 19/11/2019 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 31 Months & 19 Days
IDFC First Limited	Term loan From Bank-IV		151,751,712	Repayable in 72 monthly instalment from 20/02/2018 Rate of Interest : Fixed Maturity Period : 6 Years No Of Instalment due : 46 Months & 1 Day
IDFC First Limited	Term loan From Bank-V			Repayable in 72 monthly instalment from 08/02/2018 Rate of Interest : Fixed Maturity Period : 6 Years No Of Instalment due : 46 Months & 1 Day
IDFC First Limited	Term loan From Bank-VI		80,934,247	Repayable in 72 monthly instalment from 21/05/2018 Rate of Interest : Fixed Maturity Period : 6 Years No Of Instalment due : 49 Months & 1 Day
IDFC First Limited	Term loan From Bank-VII			Repayable in 72 monthly instalment from 24/05/2018 Rate of Interest : Fixed Maturity Period : 6 Years No Of Instalment due : 49 Months & 1 Day
ESAF SFB	Term loan From Bank-VIII	13,043,440	5,434,800	Repayable in 24 monthly instalment from 30/08/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 17 Months
ESAF SFB	Term loan From Bank-IX	13,043,440	3,260,880	Repayable in 24 monthly instalment from 29/06/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 14 Months & 29 Days
Honda City HDFC Car Loan	Term loan From Bank-X	190,152	578,067	Repayable in 60 monthly instalment from 28/09/2018 Rate of Interest : Fixed Maturity Period : 5 Years No Of Instalment due : 42 Months & 5 Days
ICICI Term Loan	Term loan From Bank-XI	54,545,450		Repayable in 24 monthly instalment from 22/03/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 11 Months & 22 days
Indian Bank	Term loan From Bank-XII	21,610,182	78,787,872	Repayable in 36 monthly instalment from 20/03/2020 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 37 Months & 21 Days

Financial Statement-FY 2019-20

Oriental Bank of Commerce	Term loan From	33,349,125	118,181,818	Repayable in 36 monthly instalment from 31/05/2019	Secured by hypothecation of
SBI Term Loan	Term loan From Bank-XIV	66,503,064	27,950,000	Repayable in 36 monthly instalment from 31/07/2018 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 16 Months	Secured by hypothecation of book debts created out of the loan availed
SBI TL	Term loan From Bank-XV	168,712,536	251,600,000	Repayable in 36 monthly instalment from 30/09/2019 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 30 Months	Secured by hypothecation of book debts created out of the loan availed
Union Bank of India	Term loan From Bank-XVI	38,225,873	48,484,864	Repayable in 24 monthly instalment from 17/08/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 16 Months & 17 Days	Secured by hypothecation of book debts created out of the loan availed
United Bank of India	Term loan From Bank-XVII	10,804,072	39,500,000	Repayable in 36 monthly instalment from 13/03/2020 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 38 Months	Secured by hypothecation of book debts created out of the loan availed
TOTAL TERM LOANS FROM BANK		546,707,764	880,490,226		
Term loans from Others					
Eccler Leasing & Finance	Term Loan From NBFC-I	10,287,269		Repayable in 24 monthly instalment from 17/12/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 8 Months & 17 Days	Secured by hypothecation of book debts created out of the loan availed
Essel Finance Business Loans	Term Loan From NBFC-II	1,431,993		Repayable in 24 monthly instalment from 31/03/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 1 Month	Secured by hypothecation of book debts created out of the loan availed
Hero TL	Term Loan From NBFC-III	19,716,964	12,854,479	Repayable in 24 monthly instalment from 01/10/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 18 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
Hinduja Leyland and Finance	Term Loan From NBFC-IV	29,027,207		Repayable in 24 monthly instalment from 31/10/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 7 Months	Secured by hypothecation of book debts created out of the loan availed
Hinduja Leyland and Finance	Term Loan From NBFC-V	72,608,307	60,583,911	Repayable in 24 monthly instalment from 31/12/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 21 Months	Secured by hypothecation of book debts created out of the loan availed
Hinduja PLI	Term Loan From NBFC-VI	51,410,049	13,830,627	Repayable in 24 monthly instalment from 04/07/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 15 Months & 4 Days	Secured by hypothecation of book debts created out of the loan availed
Hiranandani	Term Loan From NBFC-VII	19,978,525	5,459,367	Repayable in 18 monthly installment from 28/11/2019 Rate of Interest : Fixed Maturity Period : 1.5Years No Of Instalment due : 13 Months & 28 Days	Secured by hypothecation of book debts created out of the loan availed
InCred Finance	Term Loan From NBFC-VIII	34,783,527	40,216,473	Repayable in 24 monthly installment from 27/02/2020 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 22 Months & 27 Days	Secured by hypothecation of book debts created out of the loan availed
Manappuram Finance Ltd	Term Loan From NBFC-IX	17,576,322	11,485,540	Repayable in 36 monthly installment from 17/10/2018 Rate of Interest : Fixed Maturity Period : 3 Years No Of Instalment due : 18 Months & 17 Days	Secured by hypothecation of book debts created out of the loan availed
Maanaveeya Development and Finan	Term Loan From NBFC-X	50,004,000	45,829,000	Repayable in 24 monthly installment from 18/02/2020 Rate of Interest : Fixed Maturity Period : 2 Years No Of Instalment due : 22 Months & 18 Days	Secured by hypothecation of book debts created out of the loan availed

Financial Statement-FY 2019-20

Maanaveeya Development and Finan	Term Loan From NBFC-XI	30,000,000		Repayable in 24 monthly installment from 20/09/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 5 Months & 20 Days	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XII	18,750,000	9,375,000	Repayable in 24 monthly installment from 16/09/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 17 Months & 16 Days	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XIII	18,750,000	9,375,000	Repayable in 24 monthly installment from 16/09/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 17 Months & 16 Days	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XIV	14,583,338		Repayable in 24 monthly installment from 01/02/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 10 Months & 1 Day	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XV	24,999,994		Repayable in 24 monthly installment from 17/09/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 5 Months & 17 Days	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XVI	18,750,000	4,687,500	Repayable in 24 monthly installment from 02/07/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 15 Months & 2 Days	Secured by hypothecation of book debts created out of the loan availed
MAS Financial Services Ltd.	Term Loan From NBFC-XVII	18,750,000	4,687,500	Repayable in 24 monthly installment from 02/07/2019 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 15 Months & 2 Days	Secured by hypothecation of book debts created out of the loan availed
NABARD FINANCIAL SERVICES	Term Loan From NBFC-XVIII	26,244,640		Repayable in 24 monthly installment from 23/11/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 7 Months & 23 Days	Secured by hypothecation of book debts created out of the loan availed
NABFINS Limited	Term Loan From NBFC-XIX	45,833,337	54,166,663	Repayable in 24 monthly installment from 19/03/2020 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 23 Months & 19 Days	Secured by hypothecation of book debts created out of the loan availed
Nabkisan Finance Limited	Term Loan From NBFC-XX	38,966,593	84,375,000	Repayable in 51 monthly installment from 07/02/2019 Rate of Interest : Fixed Maturity Period : 4.25 Years No Of Installment due : 37 Months & 7 Days	Secured by hypothecation of book debts created out of the loan availed
Nabsamruddhi Finance Limited	Term Loan From NBFC-XXI	24,996,758	41666665	Repayable in 36 monthly installment from 07/03/2019 Rate of Interest : Fixed Maturity Period : 3 Years No Of Installment due : 25 Months & 22 Days	Secured by hypothecation of book debts created out of the loan availed
Nabsamruddhi Finance Limited	Term Loan From NBFC-XXII	37500000	62500000	Repayable in 24 monthly installment from 19/03/2020 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 26 Months	Secured by hypothecation of book debts created out of the loan availed
Profectus Capital Private Limited	Term Loan From NBFC-XXIII	24,156,759		Repayable in 18 monthly installment from 27/08/2019 Rate of Interest : Fixed Maturity Period : 1.5 Years No Of Installment due : 10 Months & 27 Days	Secured by hypothecation of book debts created out of the loan availed
Profectus Capital Private Limited	Term Loan From NBFC-XXIV	5,976,686		Repayable in 18 monthly installment from 28/01/2019 Rate of Interest : Fixed Maturity Period : 1.5 Years No Of Installment due : 3 Months & 28 Days	Secured by hypothecation of book debts created out of the loan availed
Satin Creditcare Network Ltd	Term Loan From NBFC-XXV	20,827,239		Repayable in 18 monthly installment from 20/03/2019 Rate of Interest : Fixed Maturity Period : 1.5 Years No Of Installment due : 5 Months & 20 Days	Secured by hypothecation of book debts created out of the loan availed

Financial Statement-FY 2019-20

Shriram City Union Finance Ltd	Term Loan From NBFC-XXVI	9,364,340		Repayable in 24 monthly installment from 30/06/2018 Rate of Interest : Fixed Maturity Period : 2 Years No Of Installment due : 3 Months	Secured by hypothecation of book debts created out of the loan availed
Western Capital	Term Loan From NBFC-XXVII	33,887,511	16,666,667	Repayable in 18 monthly installment from 25/02/2020 Rate of Interest : Fixed Maturity Period : 1.5 Years No Of Installment due : 16 Months & 25 Days	Secured by hypothecation of book debts created out of the loan availed
IDFC First Limited	Term Loan From NBFC-XXVIII		126,857,877	Repayable in 84 monthly installment from 15/01/2016 Rate of Interest : Fixed Maturity Period : 7 Years No Of Installment due : 33 Months & 15 Days	
TOTAL TERM LOAN FROM OTHERS		719,161,358	604,617,269		
NON CONVERTIBLE DEBENTURE					
SIMA Fund	NCD-I	119,066,667	238,133,333	Repayable in 36 monthly installment from 19/09/2019 Rate of Interest : Fixed Maturity Period : 3 Years No Of Installment due : 29 Months & 19 Days	Secured by hypothecation of book debts created out of the loan availed bearing coupon interest rate of 13.95%
TOTAL NCD		119,066,667	238,133,333		

Financial Statement-FY 2019-20

LIGHT MICRO FINANCE PVT LTD						
Summary of Depreciation for the year 2019-20						
Particulars	Gross block (At Cost)			Accumulated Depreciation		
	Balance as at 01.04.2019	Additions	Deletions	Balance as at 31.03.2020	Balance as at 01.04.2019	Depreciation for the period ending March-20
Tangible Assets						
Block - I : Motor Car & Vehicle	1,154,050	-	-	1,154,050	179,711	305,120
Block - II : Furniture & Fittings	5,252,254	2,357,670	15,502	7,594,422	2,398,807	1,083,683
Block - III : Computer & System	7,315,703	7,739,454	-	15,055,158	5,617,916	3,064,309
Block - IV : Office Equipment's	2,932,821	2,059,298	-	4,992,119	2,172,724	705,586
Block - V : Electrical Installation	319,972	338,556	-	658,528	83,832	112,368
Total	16,974,800	12,494,978	15,502	29,454,276	10,452,991	5,271,066
Intangibles Assets						
Block - I : Software's	6,965,450	5,033,128	-	11,998,578	3,410,448	2,167,371
Total	6,965,450	5,033,128	-	11,998,578	3,410,448	2,167,371
Grand Total	23,940,250	17,528,106	15,502	41,452,854	13,863,439	7,438,437
						8,808

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD		
CIN- U67120DL1994PTC216764		
Notes to financial statements for the Period ended March 31, 2020		
<i>(Amount in Lakhs)</i>		
9. Loans and Advances	Non- Current	
	March 31, 2020	March 31, 2019
A. Portfolio Loans		
Joint Liability Group Loans	1,207,155,685	689,023,920
Joint Liability Group Loans placed as collateral towards securitization transaction	-	25,115,408
TOTAL	1,207,155,685	714,139,328
Note: Security Deposits are placed to avail term loans from Banks, Non Banking Financial Companies.		
Gross Deferred Tax Assets		
10. Deferred Tax Assets		
Fixed Assets : Impact of difference between tax depreciation & depreciation/amortization charged for the financial reporting		
Impact of Preliminary Expenses		
Provision against Portfolio Loans		
TOTAL		
11. Other Assets	Non- Current	
	March 31, 2020	March 31, 2019
A. Margin Money Deposits with original maturity of more than twelve months	50,104,170	54,650,851
B. Interest Accrued but not due on DA/ BC & Securitization transactions		-
C. Interest Accrued but not due on portfolio loans		-
D. Interest Accrued but not due on deposits placed with banks		
E. Security Deposits	51,784,420	54,297,185
F. Advance tax & TDS receivable (net of provisions)	4,154,682	4,852,963
G. Prepaid Expenses	16,623,633	5,573,274
H. Loan/advances to Staff	-	-
I. Other Receivables	643,753	10,759,839
TOTAL	123,310,658	130,134,112

Financial Statement-FY 2019-20

LIGHT MICROFINANCE PVT LTD Notes to financial statements for the Period ended March 31, 2020 <i>(Amounts in Rupees unless otherwise stated)</i>		
12 - Current Investment	March 31, 2020	March 31, 2019
Investment in Mutual Funds (Quoted)		
44,429.141 units (Previous Year : 15,423.881.46 units) of Baroda Pioneer Liquid Fund - Plan B Growth	-	19,106,623
TOTAL	-	19,106,623
13. Cash and Bank Balances	March 31, 2020	March 31, 2019
Balances with Banks		
On Current accounts	321,178,828	284,392,181
Cash on Hand	1,873,420	1,599,955
Other Bank Balances		
Margin Money Deposit*	225,402,219	124,198,144
Less: Amount disclosed under non-current assets (refer Note 11)	(187,862,399)	(116,385,587)
	37,539,820	7,812,557
TOTAL	360,592,068	293,804,693
* Represent Margin Money Deposits placed to avail term loans from banks, financial institutes and placed as cash collateral in connection with securitisation/ assigned loans transaction		
14. Trade Receivables	March 31, 2020	March 31, 2019
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,143,832	8,572,764
Outstanding for a period more than six months from the date they are due for payment	7,407,677	8,806,440
Dues from Other Trade Receivable	4,636,350	850,871
Dues from BC Partners	1,444,926	3,463,723
TOTAL	16,632,785	21,693,798

LIGHT MICRO FINANCE PVT LTD Notes to financial statements for the Period ended March 31, 2020 <i>(Amounts in Rupees unless otherwise stated)</i>		
15. Revenue from Operations	March 31, 2020	March 31, 2019
Interest Income on Portfolio Loans	507,624,560	338,961,519
Other Operating Revenue		
Income on Securitization Transactions	27,149,857	10,593,070
Interest on Direct Assignment Transaction	74,009,936	30,550,429
Loan Processing Fees	45,292,138	27,996,766
Membership Fees	-	7,108,842
Business Correspondence Income	72,627,592	5,563,997
Servicer Fees Income	3,231,416	-
Other Fee Income	9,346,113	4,969,058
Total	739,281,611	425,743,682
16. Other Income	March 31, 2020	March 31, 2019
Interest on Margin Money Deposit*	14,265,555	4,751,250
Profit on redemption on Mutual Funds	10,023,010	7,202,194
Profit on Sale of Asset	3,306	203,938
Miscellaneous Income	4,927,455	131,203
Total	29,219,326	12,288,585
*Represents Interest on Margin Money Deposits placed to avail term loans from Banks, Non Banking Financial Companies and on deposits placed as cash collateral in connection with securitization		

LIGHT MICRO FINANCE PVT LTD Notes to financial statements for the Period ended March 31, 2020 <i>(Amounts in Rupees unless otherwise stated)</i>		
17. Employee Benefit Expenses	March 31, 2020	March 31, 2019
Salaries and Bonus/Incentives	208,313,473	113,341,051
Contribution to Provident Fund	12,433,621	3,775,069
Contribution to Employee State Insurance Corporation	3,920,724	2,817,190
Gratuity Expenses	567,221	1,349,382
Staff Welfare Expenses	6,065,190	2,254,404
Total	231,300,229	123,537,096
18. Finance Costs	March 31, 2020	March 31, 2019
Interest		
On Term Loans from Banks	137,380,104	74,681,760
On Term Loans from NBFCs	149,161,554	135,785,111
On Non Convertible Debentures	26,557,599	
On Car Loan	77,820	36,906
Other Finance Costs	18,454,466	8,932,981
Bank Charges	4,728,089	4,815,002
Other Charges	27,536	-
Total	336,387,168	224,251,760

LIGHT MICRO FINANCE PVT LTD

Notes to financial statements for the Period ended March 31, 2020

(Amounts in Rupees unless otherwise stated)

19. Other Expenses	March 31, 2020	March 31, 2019
Advertisement Expenses	55,220	109,917
Communication Expenses	3,362,119	2,116,537
Conveyance Expenses	27,422,821	14,247,306
Electricity Expenses	1,834,996	1,062,135
Insurance Expenses	887,649	530,372
Legal Expenses	762,811	176,030
Postage & Courier	1,636,313	698,729
Professional Fees	23,717,474	10,074,452
Rent Expenses	25,468,188	15,962,076
Repairs & Maintenance Expenses	2,091,476	819,909
Rates and Taxes	11,413,243	7,430,606
Stationery and Printing Expenses	3,998,418	2,779,141
Travelling Expenses	2,218,493	689,432
Payment to Auditors	1,000,000	750,000
Director Sitting Fees	565,000	330,000
Membership Reversal Expenses*	11,449,733	-
Miscellaneous Expenses	8,139,495	4,453,087
TOTAL	126,023,449	62,229,729

* Membership fees has been refunded to clients as per letter received from RBI Dt. 10-04-2019

Breakup of Payments to Auditors

Payment to Auditors:	March 31, 2020	March 31, 2019
Statutory & Tax Audit Fee	750,000	600,000
Taxation Matters	131,000	97,500
Other & Certification matters	250,000	150,000
TOTAL	1,131,000	847,500

20. Provisions and write off	March 31, 2020	March 31, 2019
Provision Against Portfolio Loans	21,201,257	-
Portfolio Loans Written Off	(5,020,833)	-
Provision Against Fraud occurred during the year	-	90,000
Total	16,180,424	90,000

Financial Statement-FY 2019-20

LIGHT MICRO FINANCE PVT LTD		
EPS		
Particulars	March 31, 2020	March 31, 2019
Profit After Tax	40,210,979	18,760,748
Basic No. of Equity	25,049,999	25,049,999
Shares		
Weighted		
average no of	33,523,744	21,806,986
equity shares		
Basic EPS	1.61	0.75
Diluted EPS	1.20	0.86

NOTE 21: NOTES ON ACCOUNTS

A. Provision on Loan Portfolio

(Amount in Rupees)

For the Year Ended	31-Mar-20		31-Mar-19	
Standard Assets	3,09,09,29,126	3,14,33,339*	1,70,16,57,827	2,02,73,795
Non - Performing Assets	1,35,95,972		1,46,61,291	

*i) The provision determined is subject to the provision prescribed in the NBFC-MFI Directions. These Directions require the total provision to be higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more that is amounting to Rs. 3,10,45,254/-.

ii) Additional provision determined is subject to the provision prescribed in the RBI circular No. BP.BC.63/21.04.048/2019-20 Dt. 17-Apr-2020. This circular requires, in respect of accounts in default but standard, additional provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under:

(i) Quarter ended March 31, 2020 - not less than 5 per cent that is Rs. 3,88,085/-

(ii) Quarter ending June 30, 2020 - not less than 5 per cent

Excess Provision, if any, of earlier years has not been written back.

**All overdue loans, where in the opinion of the management any amount is not recoverable, are written off.

B. There are no dues to Micro, Small and Medium Enterprise as on Mar 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

C. Earnings per Share

(Amount in Rupees)

	2019-20	2018-19
(a) Profit / (Loss) After Tax	4,02,10,979	1,88,25,710
(b) Basic of Shares (No.)	2,50,49,999	2,50,49,999
(c) Weighted Average of Shares (No.)	3,35,23,744	2,18,06,985
(d) Basic Earnings per Share (a/b)	1.61	0.75
(e) Diluted Earnings per Share (a/b)	1.20	0.86

D. Foreign Currency Transactions:

Particulars	Currency	2019-20	2018-19
Expenditure in Foreign Currency (for MIS Infrastructure Expenses)	US Dollars	1,348	368
	Indian Rupees	95,685	26,000
Earnings in Foreign Currency	-	-	-

E. i. Disclosure related to securitization:

During the year the Company had sold loans through securitization transactions. The information on securitization/direct assignment transactions undertaken by the Company as an originator are shown below:

(Amount in Rupees)

Particulars	2019-20	2018-19
Total number of loans securitized	4,465	11,787
Total book value of loans securitized	11,76,32,047	28,59,91,737
Sale consideration received for loans securitized	10,58,68,842	26,08,76,328
Income recognized in the statement of profit and loss*	2,71,49,857	1,05,93,070
Cash collateral	82,34,243	2,03,31,346
Over collateral	1,17,63,205	2,51,15,408

*Includes income recognised from previous year's securitisation transaction

ii. Disclosure related to Direct Assignment:

(Amount in Rupees)

Particulars	2019-20	2018-19
Total number of loans Direct Assignments	22,914	39,510
Total book value of loans securitized/assigned	64,84,00,385	93,76,89,862
Sale consideration received for loans securitized/assigned	58,35,60,346	84,39,20,876
Income recognized in the statement of profit and loss*	7,40,09,936	3,05,50,429
Cash collateral	-	-

*Includes income recognised from previous year's Direct Assignment transaction

Disclosure as per RBI circular DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016:

(Information in respect of transactions in operation as at reporting date)

(Amount in Rs.)

Sr. No	Particulars	As at 31 st March 2020	As at 31 st March 2019
1	No of SPVs sponsored by the NBFC for securitization transactions	2	3
2	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	10,00,99,325	24,86,81,199
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off Balance-sheet Exposures		
	First Loss	-	-
	Others	-	-
	b) On Balance-sheet Exposures		
	First Loss - Cash Collateral	2,12,98,364	2,83,13,159
	Others- Over Collateral	2,56,98,267	2,51,15,408
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposures to own securities		
	First Loss	-	-
	Loss	-	-

	ii) Exposures to third party securitizations		
	First Loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposures to own securities		
	First Loss	-	-
	Loss	-	-
	ii) Exposures to third party securitizations		
	First Loss	-	-
	Others	-	-

F. Contingent Liabilities not provided for:

(Amount in Rupees)

Particulars	March 31, 2020	March 31, 2019
Performance Security provided by the Company pursuant to business correspondent/ service provider agreement	56,99,43,307	12,02,71,917
Cash collateral given and outstanding for the assigned Loans	11,28,01,385	4,78,60,382
Claims against the Company not acknowledged as debt:		
- Tax matter in dispute under appeal	1,48,090	1,48,090

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

G. Related Party Disclosures:

- Names of the related parties with whom transactions have been entered

Sr. No.	Name	Relationship
1.	Mr. Deepak Amin	Managing Director [w.e.f. February 15, 2019]
2.	Mr. Rakesh Kumar	Key Managerial Person
3.	Mr. Aviral Saini	Key Managerial Person
4.	Ms. Madhavi Gajjar	Key Managerial Person (w.e.f. 12 August 2019)

(Amount in Rupees)

Transactions during the year	2019-20	2018-19
Salary & Incentives - Mr. Deepak Amin	37,50,000	1
Salary & Incentives - Mr. Rakesh Kumar	61,50,000	43,00,004
Salary & Incentives - Mr. Aviral Saini	48,80,008	37,20,000
Salary & Incentives - Ms. Madhavi Gajjar	3,48,206	0
Salary & Incentives- Mr. Hitesh Lachhwani	0	6,03,327

H. Additional disclosures required by the RBI

A. (i) Details of Average interest paid on borrowing and charged on loans given to Joint Liability Group:	
Particulars	Rate of Interest (In %)
Average Interest rate on Loans given to Joint Liability Groups	21.99%
Average Interest rate on borrowings	12.71%
Net Interest Margin	9.28%

B)	Capital to Risk Assets Ratio (CRAR)	Amount	Amount
Sr. No.	Particulars	2019-20	2018-19
(i)	CRAR (%)	20.21	22.66
(ii)	CRAR Tier I Capital (%)	18.01	17.15
(iii)	CRAR Tier II Capital (%)	2.20	5.51
(iv)	Amount of subordinated debt raised as Tier-II capital (%)	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

J. AS-15 Employee Benefits:

As per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are furnished below:

a. Short term Employee Benefits

Short term employee benefits payable within twelve months of rendering the service including bonus and ESIC employer contribution at the Balance Sheet date are recognised as an expense as per the Company's scheme base on expected obligations on undiscounted basis.

b. Long term Employee Benefits

Post-retirement benefits comprising of employees Provident Fund and Gratuity Fund are accounted for as follows:

1. **Provident Fund:** This is a defined contribution plan and contributions paid to the Regional Provident Fund Commissioner, Gujarat, are charged to revenue during the period. The Company has no further obligations for future provident fund benefits other than regular contributions.

2. **Gratuity:** The liability for Gratuity to employees as on the Balance Sheet date is determined based on actuarial valuations and on the basis of demand from the Life Insurance Corporation of India. The contribution paid thereof is charged in the books of accounts. The contribution paid towards Gratuity is managed by the Life Insurance Corporation of India.

The Company has excessively paid Rs.2,65,283/- during FY 19-20. Therefore, no provision has been created as on Mar 31, 2020.

Disclosures envisaged in Accounting Standard(AS) 15- Employee benefits as given below:

(i) Defined Benefit Plan :

The Company has defined benefit Gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basis salary (last drawn salary) for each completed year of service.

Consequent to the adoption of AS 15 'Employee Benefits' specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014 the following disclosures have been made as required by the standard:

Expenses Recognized in the Statement of Profit or Loss:

Particulars	March 31, 2020	March 31, 2019
Current Service Cost	26,09,887	12,52,739
Net Interest Cost	(64,769)	(17,387)
Actuarial (Gains)/Losses	(19,77,897)	1,14,030
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
Expenses Recognized in the Statement of Profit or Loss	5,67,221	13,49,382

Change in the Present Value of Projected Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	42,05,052	28,12,075
Interest Cost	3,27,153	2,21,310
Current Service Cost	26,09,887	12,52,739
Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
Past Service Cost - Vested Benefit Incurred During the Period	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-

(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	(1,09,880)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(31,99,392)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	13,66,942	61,482
Actuarial (Gains)/Losses on Obligations - Due to Experience	(3,58,007)	(32,674)
Present Value of Benefit Obligation at the End of the	49,51,635	42,05,052

Change in Plan Assets

Particulars	As at 31/03/2020	As at 31/03/2019
Fair Value of Plan Assets at the Beginning of the Period	50,37,556	30,32,994
Expected Return on Plan Assets	3,91,922	2,38,697
Contributions by the Employer	-	19,60,967
Expected Contributions by the Employees	-	-
Assets Transferred In/ Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	(1,09,880)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to	(2,12,560)	(85,222)
Fair Value of Plan Assets at the End of the Period	52,16,918	50,37,556

Amount Recognized in the Balance Sheet

Particulars	As at 31/03/2020	As at 31/03/2019
(Present Value of Benefit Obligation at the end of the	(49,51,635)	(42,05,052)
Fair Value of Plan Assets at the end of the Period	52,16,918	50,37,556
Funded Status (Surplus/ (Deficit))	2,65,283	8,32,504
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	2,65,283	8,32,504

The Principal assumption used in determining gratuity obligation for the company's are shown below

Particulars	2019-20	2018-19
Rate of Discounting	5.21%	7.78%
Rate of Salary Increase	10.00%	7.00%
Attrition Rate	For service 4 years and below 40.00% p.a. For service 5 years and above 20.00% p.a.	3.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(ii) Defined Contribution Plan

Contribution to Provident Fund and ESIC are included in note 17 "Employee benefits expense" includes Rs. 1,63,54,345/- (P.Y 65,92,259/-) being expenses debited under defined contribution plan

(Source : point number 15 from final balance sheet)

K. Employee Stock Option Plan

Pursuant to a resolution passed by the members holding Equity shares vide Annual General Meeting held on June 23, 2018, the Company has approved "LMF Employee Stock Option Plan 2018".

During the year ended March 31, 2020, the following stock option grants were in operation:

Sr No	Particulars	
1	Date of Grant	23/06/2018
2	No. of options granted	9,84,400
3	No of employees to whom such options were granted	4
4	Method of Settlement	Equity/Cash
5	Graded Vesting period:	
	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	
6	Exercise Period	
	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	Vesting conditions	
	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.	
7	Average remaining contractual life (Years)	4.25
8	Average exercise price per option ()	10.63
9	Average intrinsic value of option ()	10.63

Particulars	Year ended on March 31, 2020	Year ended on March 31, 2019
LMF Employee Stock Option Plan 2018		
Employee Stock Option outstanding at beginning of the year	9,84,400	-
Granted during the year	-	9,84,400
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding during the year	9,84,400	9,84,400
Exercisable at the end of the year	-	-

L. Schedule to the Balance Sheet of a Non-Banking Financial Company for the Year ended 31st March 2020

(as required in terms of Paragraph 13 of
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

(Amount in Rupees)

	Particulars		
	Liabilities side :		
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue
1	(a) Debentures		
	Secured	35,93,54,657	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	2,75,86,81,509	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (specify nature)	-	-
	* Please see Note 1 below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(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	-	-
	* Please see Note 1 below		

	Assets side:		
		Amount outstanding	Amount outstanding
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	3,09,39,47,463	-
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(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	<u>Break-up of Investments :</u>		
	<u>Current Investments :</u>		
	1. <u>Quoted :</u>		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. <u>Unquoted :</u>		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)FDR	17,52,98,049	-

6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
	Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same			
	Group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties			
	Total	-	-	-

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Please see note 3 below			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
7 1. Related Parties **			
(a) Subsidiaries	-		-
(b) Companies in the same group	-		-
(c) Other related parties	-		-
2. Other than related parties	-		-
Total	-		-

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

	Particulars	As at 31 st March 2020	As at 31 st March 2019
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	1,35,95,972	1,46,61,291
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	1,07,58,437
(iii)	Assets acquired in satisfaction of debt	-	-

M. Disclosure of Complaints

	Particulars	March 31,2020	March 31,2019
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	107	54
(c)	No. of complaints redressed during the year	107	54
(d)	No. of complaints pending at the end of the year	-	-

N. Disclosure of Frauds recorded during the year to RBI vide DNBS PD.CC NO. 256/03.10.042/2012-13 dated March 02,2012

Nature of fraud (cash embezzlement)	March 31,2020	March 31,2019
Number of cases	3	17
Amount of fraud	12,66,308	5,71,300
Recovery	6,29,100	4,81,300
Amount written off / Provision made	6,37,208	90,000

O. The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to this Company.

[Intentionally Left Blank]

P. Note on COVID-19 impact on the business

The Outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

- (i) **For the Customers:** The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has offered a moratorium of six months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collection made already in the month of March, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy) and also refer Note 21A.
- (ii) **For the Lenders:** The Company has availed moratorium in respect of certain term loans as per RBI guidelines and up to August 31, 2020 with the support of the lenders.

The Company believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.

Q. Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current year classification/disclosure.

As per our attached report of even date

For Kantilal Patel & Co.
Chartered Accountants
FRN No. 104744W

Jinal A. Patel
Partner
Membership No. : 153599

Place: Ahmedabad

For Light Microfinance Pvt. Ltd.

Mr. Deepak Amin
(Managing Director)
DIN- 01289453

Mr. Rakesh Kumar
(Executive Director)
DIN-03430670

Mr. Aviral Saini
(Executive Director)
DIN-03534719

Ms. Madhavi Gajjar
Company Secretary

Date:

Membership 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 Email : info@lightmicrofinance.com

CIN : U67120DL1994PTC216764

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF LIGHT MICROFINANCE PRIVATE LIMITED will be held on Monday, September 28, 2020 at 11.30 am. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OVAM") at shorter notice to transact the following business:

❖ ORDINARY BUSINESS:

ITEM NO. 1 TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020 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, 2020 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, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

ITEM NO. 2 RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kantilal Patel & Co. (Firm Registration No. 104744W), Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the twenty seventh Annual General Meeting of the Company to be held in the year 2021 at such remuneration plus applicable service tax and out of pocket expenses incurred by them for the purpose of audit to be decided by the Board of Directors in consultation with the Auditors."

❖ SPECIAL BUSINESS:

ITEM NO. 3 **APPOINTMENT OF MR. MUKESH M. SHAH AS AN INDEPENDENT DIRECTOR.**

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Mukesh M. Shah (DIN: 00084402), who was appointed as an additional and independent director, pursuant to Sections 149, 150, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to appoint Mr. Mukesh M. Shah (DIN: 00084402), as an independent director of the Company, not liable to retire by rotation, for a period up to Five years."

"Resolved Further That Shri Rakesh Kumar and Shri Aviral Saini, Executive Directors of the Company be and are hereby authorized severally to sign on behalf of the Company, necessary documents/forms to be filed with the concerned Registrar of Companies, concerning the aforesaid appointment of Shri Deepak Amin on the Board of the Company"

ITEM NO. 4 **CONSIDERATION AND APPROVE ISSUE OF COMMERCIAL PAPERS THROUGH PRIVATE PLACEMENT**

To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, for making offer(s) or invitation(s) to subscribe to secured/unsecured/subordinated, rated/unrated, listed/unlisted Commercial Papers on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (including any committee authorized by the Board of Directors thereof), based on the prevailing market condition.

"RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of Commercial Papers pursuant to the authority under this resolution shall not exceed the overall limit of Rs. 100,00,00,000- (Rupees One Hundred Crores only).

"RESOLVED FURTHER THAT Mr. Deepak Amin, Managing Director, Mr. Rakesh Kumar and Mr. Aviral Saini, Executive Directors of the company, be and are hereby authorised to do all such acts, deeds, matters and things and to

execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this resolution."

ITEM NO. 5 CONSIDERATION AND APPROVE ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass the following resolution as a special resolution:

"Resolved That the members hereby authorizes the Company to alter Article 124 of the Articles of Association for making Mr. Deepak Amin Chairman of the Company."

"Resolved Further That the altered Article 124 will be read as:

Article 124:

The Chairman shall be jointly nominated by the Promoter, Board of Directors and Investors as the Chairman of the Board, to preside at meetings of the Board."

"RESOLVED FURTHER THAT Mr. Deepak Amin Mr. Rakesh Kumar, Director and Mr. Aviral Saini, Director be and are hereby severally authorized to do all acts and deeds as may be necessary and incidental thereto."

ITEM NO. 6 APPROVAL FOR OFFER OF PREFERENCE SHARES ON A PRIVATE PLACEMENT BASIS AND TERMS OF THE OFFER LETTER

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 55 and 62(1)(c) of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) (the "Act"), Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 9 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the provisions of Foreign Exchange Management Act, 1999 (including any amendment, modification, variation or re-enactment thereof) and such other rules, guidelines and regulations thereunder issued or framed by the Central Government or the Reserve Bank of India) ("FEMA 1999"), and the articles of association of the Company, the consent and approval of the members of the Company be and is hereby accorded to issue, offer and allot 1,00,00,000 (One Crores) Redeemable Preference shares of Rs. 10/- (Rupees Ten only) at an issue price of Rs. 10/- (Rupees Ten only) Non-Cumulative, Participating, Preference Shares to the Investor on a private placement basis for consideration at a face value of Rs. 10/- (Rupees Ten only) each on a preferential allotment and on private placement basis as follows:

AGM Notice

Sr. no.	Name of Allottee	Address	No. of Preference Shares	Face Value	Total consideration (INR)
1	WAAO Partners LLP	10, Rushil Bungalows, New Jay Ambe CO. OP Hsg. Soc. Limited, Nr. Judges Bungalows, Ahmedabad 380054	1,00,00,000	10	10,00,00,000
Total			1,00,00,000	10	10,00,00,000

“RESOLVED FURTHER THAT the proposed issue of the Preference to the Investor shall include the terms as mentioned below:

The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares	Carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
The participation in surplus fund	The holders of the Preference Shares will not be entitled to participate in surplus funds;
The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	The holders of the Preference Shares will not be entitled to participate in surplus assets and profits, on winding up which may remain after the entire capital has been repaid;
The payment of dividend on cumulative or non-cumulative basis	The shares are non-cumulative basis
The conversion of preference shares into equity shares	Non-Convertible Redeemable Preference Shares
The voting rights	Does not hold any Voting Rights
The redemption of preference shares	Redemption will be on June 30, 2021

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and execute all such deeds, documents, instruments and writing and make all the requisite filings and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, desirable or expedient to issue or allot the aforesaid Preference Shares and to resolve and settle all questions, difficulties or doubts that may arise in regard to the proposed offer, issue, allotment of the Preference Shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED THAT the draft Offer Letter in Form PAS-4 (**“Offer Letter”**) is approved by the shareholders, whereunder, the Company proposes to make an offer of Preference Shares on private placement basis for consideration at a face value of Rs 10/- (Rupees Ten only) each at an issue price of Rs. 10/- (Rupees Ten only) (**“Offer”**) to the Investor.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to record the name of the Investor in Form PAS-5.”

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“RESOLVED FURTHER THAT the Board be and is hereby authorized to make the Offer to the Investor through the Offer Letter after filing of this resolution or the board resolution, as the case may be, with the Registrar of Companies and to execute all such writings, documents and instruments and file necessary documents with the Registrar of Companies, Reserve Bank of India and other regulatory authorities, if necessary.”

**By Order of the Board of Directors
LIGHT MICROFINANCE PRIVATE LIMITED**

**Date: September 21, 2020
Place: Ahmedabad**

**DEEPAK AMIN
Managing Director
DIN: 01289453**

AGM Notice

❖ **NOTES:**

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. An explanatory statement pursuant to section 102 of the Companies Act 2013 in respect of the business at item No. 2 above is annexed hereto. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto
4. Electronic copy of the Notice of the 26th 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 26th Annual General Meeting of the Company is being sent in the permitted mode.
5. Members may also note that the Notice of the 26th Annual General Meeting, and the Annual Report for 2019-20 will also be available on the Company's website 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
6. 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.

**By Order of the Board of Directors
LIGHT MICROFINANCE PRIVATE LIMITED**

Date: _____, 2020
Place: Ahmedabad

DEEPAK AMIN
Managing Director
DIN: 01289453

❖ **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

ITEM NO. 3:

Mr. Mukesh M. Shah who has been appointed as an Additional Director of the Company pursuant to Sections 149, 150, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval of the Board, with effect from 31st July 2020, holding office upto the date of this Annual General Meeting and is eligible for appointment as an Independent Director.

Mr. Mukesh M. Shah is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mukesh M. Shah as Independent Director, for the approval by the shareholders of the Company.

Except Mr. Mukesh M. Shah none of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolutions.

The Board recommends the Ordinary Resolution set out at item No. 2 of the Notice for approval by the shareholders.

ITEM NO. 4:

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company is required to obtain the approval of its members by way of a special resolution, before making any offer or invitation for issuance of Commercial Paper on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Commercial Papers by the Company for a period of 1 (One) year from the date on which the members have provided the approval by way of the special resolution.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out hereinbelow:

- a) Particulars of the offer including date of passing of board resolution: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of Commercial Papers, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time;
- b) Kinds of securities offered and price at which security is being offered: This special resolution is restricted to the private placement issuance of Commercial Papers by the Company which may be secured/unsecured/subordinated, rated/unrated, listed/unlisted with the terms of each issuance being determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time, for each issuance;

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- c) Basis or justification for the price (including premium, if any) at which offer, or invitation is being made: Not applicable;
- d) Name and address of valuer who performed valuation: Not applicable;
- e) Amount which the company intends to raise by way of such securities: As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of upto Rs. 100,00,00,000/- (Rupees One Hundred Crores only);
- f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of Commercial Papers, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time.

The Directors recommend the resolution for members' approval as a **Special Resolution**.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

ITEM NO. 5:

The Company has decided to alter the article 124 of the Articles of Association for making Mr. Deepak Amin Chairman of the Company, for the ease of doing business.

The altered Article 124 will be read as:

Article 124:

The Chairman shall be jointly nominated by the Promoter, Board of Directors and Investors as the Chairman of the Board, to preside at meetings of the Board."

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested financially or otherwise in the said resolution.

ITEM NO. 6:

APPROVAL FOR OFFER OF PREFERENCE SHARES ON A PRIVATE PLACEMENT BASIS AND TERMS OF THE OFFER LETTER

The provisions of the Act require the Company to seek approval of the members for issue of preference shares on private placement / preferential basis. The approval of the members is accordingly being sought by way of a special resolution under Sections 42, 55 and 62(1)(c) and all other applicable provisions of the Act for the issue of 1,00,00,000 (One Crores) Redeemable Preference shares of Rs. 10/- (Rupees Ten only) at an issue price of Rs. 10/- (Rupees Ten only) and to offer and allot the Preference Shares on a private placement / preferential basis to the investors on the terms and conditions set out hereunder:

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Debentures) Rules, 2014, as amended:

The size of the issue and number of preference shares to be issued and nominal value of each share	1,00,00,000 (One Crores) Redeemable Preference shares of Rs. 10/- (Rupees Ten only) at an issue price of Rs. 10/- (Rupees Ten only) on Private Placement Basis (the "Issue")
The nature of such shares, <i>i.e.</i> , cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	The shares are non-cumulative, Non-participating, Non-Convertible, Redeemable Preference Shares
The objectives of the issue	To augment the long-term funding needs of the Company viz. to meet working capital requirements, to support the expansion of business and for general corporate business purposes
The manner of issue of shares	Private Placement
The price at which such shares are proposed to be issued	Rs. 10/- each [Face Value]
The basis on which the price has been arrived at	The price has been arrived based on the calculation done as per Income Based Approach, Market Based Approach and Assests Based/Cost Approach
The terms of issue, including terms and rate of dividend on each share etc.	The holder of each Preference Shares shall be entitled to preferential dividend at the rate of 12% per year for all the Preference Shares till such time that the Preference Shares are outstanding.
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Redemption Terms: Tenure: 273 (Two Hundred and Seventy-Three) days from the Deemed Date of Allotment Price at the time of Redemption: Rs. 10/- (Face Value)
The manner and modes of redemption	Redeemable at PAR
The current shareholding pattern of the company	As mentioned below in the table for pre issue and post issue shareholding pattern of the Company

Following are the particulars disclosed pursuant to Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended:

Objects of the Issue	To augment the long-term funding needs of the Company viz. to meet working capital requirements, to support the expansion of business and for general corporate business purposes
The total number of shares or other securities to be issued	1,00,00,000 (One Crores) Redeemable Preference shares of Rs. 10/- (Rupees Ten only) at an issue price of Rs. 10/- (Rupees Ten only) on Private Placement Basis (the "Issue")
The price or price band at/within which the allotment is proposed	Rs. 10/- each [Face Value]
Basis on which the price has been arrived at along with report of the registered valuer	The price has been arrived based on the calculation done as per Income Based Approach, Market Based Approach and Assets Based/Cost Approach

AGM Notice

Relevant date with reference to which the price has been arrived at	31 st July 2020
The class or classes of persons to whom the allotment is proposed to be made	Limited Liability Partnership • WAAO Partners LLP
Intention of promoters, directors or key managerial personnel to subscribe to the offer	Not Applicable
The proposed time within which the allotment shall be completed	Issue Opening Date: September 29, 2020 Issue Closing Date: Date on which amount has been received Pay-in Date: September 29, 2020- October 03 ,2020 Deemed date of Allotment: September 29, 2020- October 03 ,2020
The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them as below	

Name of Proposed Allottee	Category	Proposed Shareholding of Shares	
		No. of Preference Shares	%
WAAO Partners LLP	LLP	1,00,00,000	100% of redeemable Preference Shares

The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

The Company has allotted Non-Convertible Debentures on August 11, 2020 and August 24, 2020 to below mentioned allottees:

Name of Allottee	Address of Allottee	No. of Securities Allotted	Total amount paid
State Bank of India [August 11, 2020]	Sarkhej-Sanand Highway Road, Sanand Ahmedabad, Gujarat 382110	300	30,00,00,000
Aviator Global Investment Fund [August 24, 2020]	4 th Floor, 19 Bank Street Cybercity, Ebene, Republic of Mauritius 72201	75	7,50,00,000
Northern Arc Capital Limited [August 24, 2020]	10 th Floor- Phase 1 IIT-Madras Research Park Kanagam Village, Taramani Chennai-600113	75	7,50,00,000

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
The change in control, if any, in the company that would occur consequent to the preferential offer	NA

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Following are the particulars disclosed pursuant to Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended:

Particulars of the offer, including the date of passing the Board resolution approving the offer	September 04, 2020
Kinds of securities offered and the price at which security is being offered	10000000 (One Crores Only) Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crore Only) on Private Placement Basis (the "Issue")
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	The Non-Convertible Redeemable Preference Shares are being offered at Rs. 10/- each (Face Value) Justification: On the Basis of the Valuation Report provided by the Registered Valuer
The pre issue and post issue shareholding pattern of the Company is as detailed below:	

Sr no	Category	Pre-issue				Post issue							
		No of Shares held		Total No of Shares held	% of share holding	Preference Shares		No of Shares held (Equity and CCPS)				Preference Shares	
		Equity	CCPS			No of Preference Shares held	% of shares held	Equity	CCPS	Total No of Shares held	% of shareholding	No of Preference Shares held	% of shares held
A	Promoters holding												
1	Indian:												
	- Individual	12899999	-	12899999	38.72%	-	-	12899999	-	12899999	38.72%		-
	- Body corporate	-	-	-	-	-	-	-	-	-	-		-
	Sub total	12899999	-	12899999	38.72%	-	-	12899999	-	12899999	38.72%		-
2	Foreign promoters	-	-	-	-	-	-	-	-	-	-		-
	Subtotal (A)	12899999	-	12899999	38.72%	-	-	12899999	-	12899999	38.72%		-
B	Non-promoters holding		-	-	-	-	-	-	-	-	-		-
1	Institutional investor	-	-	-	-	-	-	-	-	-	-		-
2	Non-Institutional investor		-			-	-		-				-
	Private body corporate	-	-	-	-	-	-	-	-		-		-
	Directors and relatives	-	-	-	-	-	-	-	-		-		-
	Indian public	730000	-	730000	2.19%	-	-	730000	-	730000	2.19%		-
	Others [Non - Resident Indians (NRI's)/ Foreign Body Corporate/LLPs]	11420000	8265801	19685801	59.08%	-	-	11420000	8265801	19685801	59.08%	10000000	100%
	Sub Total (B)	12390001	8265801	20415801	61.28%	-	-	12390001	8265801	20415801	61.28%	10000000	100%
	Grand Total	25049999	8265801	33315800	100%	-	-	25049999	8265801	33315800	100%	10000000	100%

AGM Notice

Name and address of the valuer who performed valuation	DARSHIL SHAH & ASSOCIATES Registered Valuer- Securities or Financial Assets (SFA) Regd. No. IBBI/RV/06/2019/11593 606, Mahakant, Opp. V S Hospital, Ellis-bridge, Ahmedabad-380006
Amount which the company intends to raise by way of such securities	Rs. 10,00,00,000/- (Rupees Ten Crores Only)
Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principal terms of assets charged as securities:	<p>a. Material terms of raising such securities: placed as a part of resolution for members approval.</p> <p>b. Proposed time schedule: September 29, 2020 to October 03, 2020[offer period]</p> <p>c. Purposes or objects of offer: To augment the long-term funding needs of the Company viz. to meet working capital requirements, to support the expansion of business and for general corporate business purposes</p> <p>d. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects: NA</p> <p>e. Principal terms of assets charged as securities: NA</p>

The Valuation Report issued by the Registered Valuer and a copy of the proposed agreement is available for inspection at the registered office of the Company during the business hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m. until the date of the Annual General Meeting.

The provisions of the Act require the Company to seek approval of the members for the adoption of the Offer Letter, whereunder, the Company proposes to make an offer of Preference Shares to the Investor. The approval of the members is accordingly being sought under Sections 42, 55 and 62(1)(c) and all other applicable provisions of the Act for the adoption of the Offer Letter.

The Offer Letter is available for inspection at the corporate office of the Company during the business hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m. until the date of the Annual General Meeting.

None of the Directors or Manager or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

**By Order of the Board
of Directors
LIGHT MICROFINANCE PRIVATE LIMITED**

**Date: September 21, 2020
Place: Ahmedabad**

**DEEPAK AMIN
Managing Director
DIN: 01289453**

AGM Notice

THE COMPANIES ACT, 2013
Consent by Shareholders for shorter notice
[Pursuant to Section 101(1) of Companies Act, 2013]

Date: _____, 2020

To
The Board of Directors
Light Microfinance Private Limited
310, Pinnacle Business Park, Corporate Road,
Praladnagar Ahmedabad 380015

Subject: Consent for holding 26th Annual General Meeting of Light Microfinance Private Limited at a shorter notice.

I/We, _____, the undersigned / representing M/s.
_____residing at / having registered office at
_____, holding _____ Equity
Shares/Preference Shares of Rs. 10/- each constituting ____% of the total share capital in
the Company in my / its name, hereby give consent pursuant to section 101 of the
Companies Act, 2013, to hold the 26th Annual General Meeting of Light Microfinance Pvt.
Ltd. at a shorter notice.

Thanking you,
Yours truly,

Name of Shareholder / authorized representative