

Independent Auditor's Review Report on the Quarterly and Year to date Unaudited Financial Results of the Company pursuant to regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended

To

The Board of Directors of  
Light Microfinance Private Limited.

1. We have reviewed the accompanying statement of Unaudited Financial Results of the Light Microfinance Private Limited ('the Company') for the quarter ended June 30, 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with and relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and

measurement principles laid down in the aforesaid Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, assets classification, provisioning and other related matters.

#### **5. Emphasis of Matters**

We draw attention to the note no.7 wherein Company has disclosed accounting treatment followed on derecognition of loans in its entirety upon assignment. However, our conclusion is not modified in respect of this matter.

#### **6. Other Matter**

The unaudited financial Results of the Company for the quarter ended June 30, 2023 have been subjected to limited review by the statutory auditors. The unaudited financial Results of the Company for the quarter ended June 30, 2022 have not been subjected to limited review by the statutory auditors as the requirement to submit financial results as per regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not applicable to the Company during the said period. The results for year ended March 31, 2023 have been audited by the statutory auditors prepared under Indian Accounting Standards ("Ind AS").

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

UDIN: 23100052BGVTZW2331

Place: Mumbai

Date: August 10, 2023

LIGHT MICRO FINANCE PVT LTD					
CIN- U67120DL1994PTC216764					
Statement of unaudited financial results for the quarter ended June 30,2023					
					(Amount In lakhs)
Sr no.	Particulars	Quarter ended			Year ended
		June 30, 2023 (Unaudited)	March 31, 2023 (Unaudited)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
	<b>Revenue from operations</b>				
(a)	Interest income	9527.07	8015.63	4149.91	24346.42
(b)	Other operating income	1741.49	215.52	1138.35	4238.48
<b>I</b>	<b>Total revenue from operation</b>	<b>11,268.56</b>	<b>8,231.15</b>	<b>5,288.26</b>	<b>28,584.90</b>
<b>II</b>	<b>Other income</b>	163.37	511.51	0.10	514.06
<b>III</b>	<b>Total Income (I+II)</b>	<b>11,431.93</b>	<b>8,742.66</b>	<b>5,288.36</b>	<b>29,098.96</b>
	<b>Expenses</b>				
(a)	Finance cost	4520.87	3460.15	2375.67	11626.08
(b)	Impairment/(Reversal) of Impairment on Financial Instruments	540.09	(320.69)	1174.22	(2,073.24)
(c)	Net loss on derecognition of financial instruments under amortised cost category	-	1264.45	-	5173.01
(d)	Employee Benefit Expense	2719.69	2580.78	1665.89	7875.73
(e)	Depreciation & Amortization Expenses	155.06	98.38	119.19	390.43
(f)	Other Expenses	897.96	1171.63	651.13	2862.11
<b>IV</b>	<b>Total Expenses (IV)</b>	<b>8,833.67</b>	<b>8,254.70</b>	<b>5,986.10</b>	<b>25,854.12</b>
<b>V</b>	<b>Profit/(loss) before tax (III-IV)</b>	<b>2,598.26</b>	<b>487.96</b>	<b>(697.74)</b>	<b>3,244.84</b>
	<b>Tax Expenses</b>				
	Current Tax	792.10	65.00	103.82	271.44
	Deferred Tax Charge / (Credit)	(182.75)	(166.86)	(302.44)	338.83
	Excess/(Short)Provisions of earlier year	-	-	0.00	(51.86)
<b>VI</b>	<b>Total tax expense (VI)</b>	<b>609.35</b>	<b>(101.86)</b>	<b>(198.62)</b>	<b>558.40</b>
<b>VII</b>	<b>Net profit/(loss) after tax (V-VI)</b>	<b>1,988.91</b>	<b>589.82</b>	<b>(499.13)</b>	<b>2,686.43</b>
<b>VIII</b>	<b>Other Comprehensive income/(loss)</b>				
(a)	(1) Items that will not be reclassified to profit and loss	(6.27)	(10.30)	(4.92)	(25.07)
	(2) Income tax relating to items that will not be reclassified to profit and loss	1.58	10.03	(1.24)	6.31
	<b>Subtotal (a)</b>	<b>(4.69)</b>	<b>(0.28)</b>	<b>(6.16)</b>	<b>(18.76)</b>
(b)	(1) Items that will be reclassified to profit and loss-Fair value income/(loss)on derrivative financial instruments	(196.78)	-	-	-
	(2) Income tax relating to items that will be reclassified to profit and loss	49.53	-	-	-
	<b>Subtotal (b)</b>	<b>(147.26)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other Comprehensive income/(loss) (a+b)</b>	<b>(151.95)</b>	<b>(0.28)</b>	<b>(6.16)</b>	<b>(18.76)</b>
<b>IX</b>	<b>Total comprehensive income (comprising profit and other comprehensive income/ (loss))</b>	<b>1,836.97</b>	<b>589.54</b>	<b>(505.29)</b>	<b>2,667.67</b>
<b>X</b>	<b>Paid up equity share capital (face value of Rs. 10 per equity share)</b>	<b>10,779.68</b>	<b>10,779.68</b>	<b>4,587.74</b>	<b>10,779.68</b>
<b>XI</b>	<b>Other equity as per balance sheet of previous accounting year</b>				
<b>XII</b>	<b>Earning per share (EPS) (face value of Rs. 10 per equity share)</b>				
	Basic EPS *	7.94	2.35	(1.99)	10.72
	Diluted EPS *	2.64	0.77	(1.99)	3.53
	* The EPS and Diluted EPS for the quarters ended are not annualised.				
	Notes forming part of the financial results				

## **Statement of unaudited financial results for the quarter ended June 30, 2023**

### **Notes:**

1. The above results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on August 10, 2023.
2. The above financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
3. Information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Annexure I.
4. The unaudited financial Results of the Company for the quarter ended June 30, 2023 have been subjected to limited review by the statutory auditors. The unaudited financial Results of the Company for the quarter ended June 30, 2022 have not been subjected to limited review by the statutory auditors as the requirement to submit financial results as per regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not applicable to the Company during the said period. The results for year ended March 31, 2023 have been audited by the statutory auditors prepared under Indian Accounting Standards ("Ind AS").
5. The financial results of the company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per Companies (Indian Accounting Standard) Rule, 2021 (As amended from time to time) and notified under Section 133 of the Companies Act 2013 ('the Act')
6. The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'operating segments'. The Company operates in a single geographical segment i.e. Domestic.
7. On derecognition of loans in its entirety upon assignment, as Ind AS 109 'Financial Instruments', the Company is required to recognise the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

The Company is of the view that the accounting treatment prescribed in Ind AS 109 increases the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Therefore, based on the prudence concept, the Company has prepared the financial statements exercising their judgement under para 19 of Ind AS 1 'Presentation of financial statements' and has departed from the above mentioned requirement of Ind AS 109. The relevant disclosure as required by para 20 of Ind AS is also disclosed in this note.

As per the current practice, such gains are recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' as is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

**8. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 - Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 – dated September 24, 2021**

A) Details of loans not in default transferred through assignment during the quarter ended June 30, 2023:

	Amount in Lakhs
Aggregate principal outstanding of loans transferred (Rs. In Lakhs)	20430.13
Weighted average maturity (in months)	18.62
Weighted average holding period (in months)	6.24
Average retention of beneficial economic interest (MRR)(%)	10%-4 transactions
Average coverage of tangible security (%)	NA
Rating wise distribution of loans transferred	Nil

B) The Company has not acquired any loans through assignment.

C) The Company has not transferred any non-performing assets(NPAs).

D) The Company has not acquired any stressed loan.

**9. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 – dated September 24, 2021.**

Amount in Lakhs

Sr. No	Particulars	As at	As at
		June 30, 2023	March 31, 2023
1	No of SPVs sponsored by the NBFC for securitization transactions	1	1
2	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	569.97	1100.51
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		
	<input checked="" type="checkbox"/> First Loss		
	<input checked="" type="checkbox"/> Others		
	b) On Balance-sheet Exposures		
	<input checked="" type="checkbox"/> First Loss – Cash Collateral	175.00	175.00
	<input checked="" type="checkbox"/> Others- Over Collateral	437.51	437.51
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposures to own securities		
	<input checked="" type="checkbox"/> First Loss		
	<input checked="" type="checkbox"/> Loss		
	ii) Exposures to third party securitizations		
	<input checked="" type="checkbox"/> First Loss		
	<input checked="" type="checkbox"/> Others		
	b) On-balance sheet exposures		
	i) Exposures to own securities		
	<input checked="" type="checkbox"/> First Loss		
	<input checked="" type="checkbox"/> Loss		
	ii) Exposures to third party securitizations		
	<input checked="" type="checkbox"/> First Loss		
	<input checked="" type="checkbox"/> Others		

10. Information as required by Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Security cover available as on

June 30, 2023 in case of Secured non-convertible debentures issued by the Company is 1.09 times. The secured non-convertible debentures issued by the Company are fully secured by creation and maintenance of Exclusive charge on loans of the Company, to the extent as stated in the respective Information Memorandum.

11. Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current periods classification.

**For and on behalf of the Board of Directors of Light Microfinance Private Limited**

**Deepak Amin**

Managing Director

(DIN- 01289453)

Place: Ahmedabad

Date: 10<sup>th</sup> August, 2023

<b>Annexure - I</b>		
<b>Additional Information as required under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended) , for the quarter ended June 30, 2023</b>		
<b>Sr No.</b>	<b>Particulars</b>	<b>Ratio</b>
1	Debt-equity ratio (no of times)*	4.44
2	Outstanding reedamble preference shares (quantity)	Nil
3	Outstanding reedamble preference shares (Rs. In lakhs)	Nil
4	Capital redemption reserve (Rs. In lakhs)	Nil
5	Debenture redemption reserve (Rs. In lakhs) Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019. the company being a Nonbanking Financial Company is exempted from the requirment of creating Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures issued through public issue and under private placement	Not applicable
6	Net worth (Rs. In lakhs) **	33,831.86
7	Net profit after tax (Rs. In lakhs)	1,988.91
8	Earning per share : Basic	7.94
	Diluted	2.64
9	Total debts to total assets \$	0.77
10	Net profit margin(%) ##	17.65%
11	Sector specific equivalent ratio, as applicable	
	a) Net Interest Margin (%) (annualised)	13.59%
	b) GNPA (%)	0.80%
	c) NNPA (%)	0.16%
	d) Provision Coverage Ratio (NPA) @	79.96%
	e) CRAR @@	21.97%
	<p>* Debt-equity ratio = (Debt securities + Borrowings (Other than debt securities) + Subordinated liabilities)/ Networkth.</p> <p>** Networkth is calculated as defined in section 2(57) of Companies Act 2013.</p> <p>\$ Total debts to total assets = (Debt securities + Borrowing (other than debt securities) + Subordinated liabilities)/ Total assets.</p> <p>## Net profit margin = Net profit after tax/ Total income.</p> <p>@ Provision Coverage = Total impairment loss allowance for Stage III / Gross Stage III loans EAD</p> <p>@@ Capital Ratio = Adjusted Networkth / Risk Weighted Assets, calculated as per applicable RBI guidelines</p>	