



Purpose | People | Progress

Annual Report

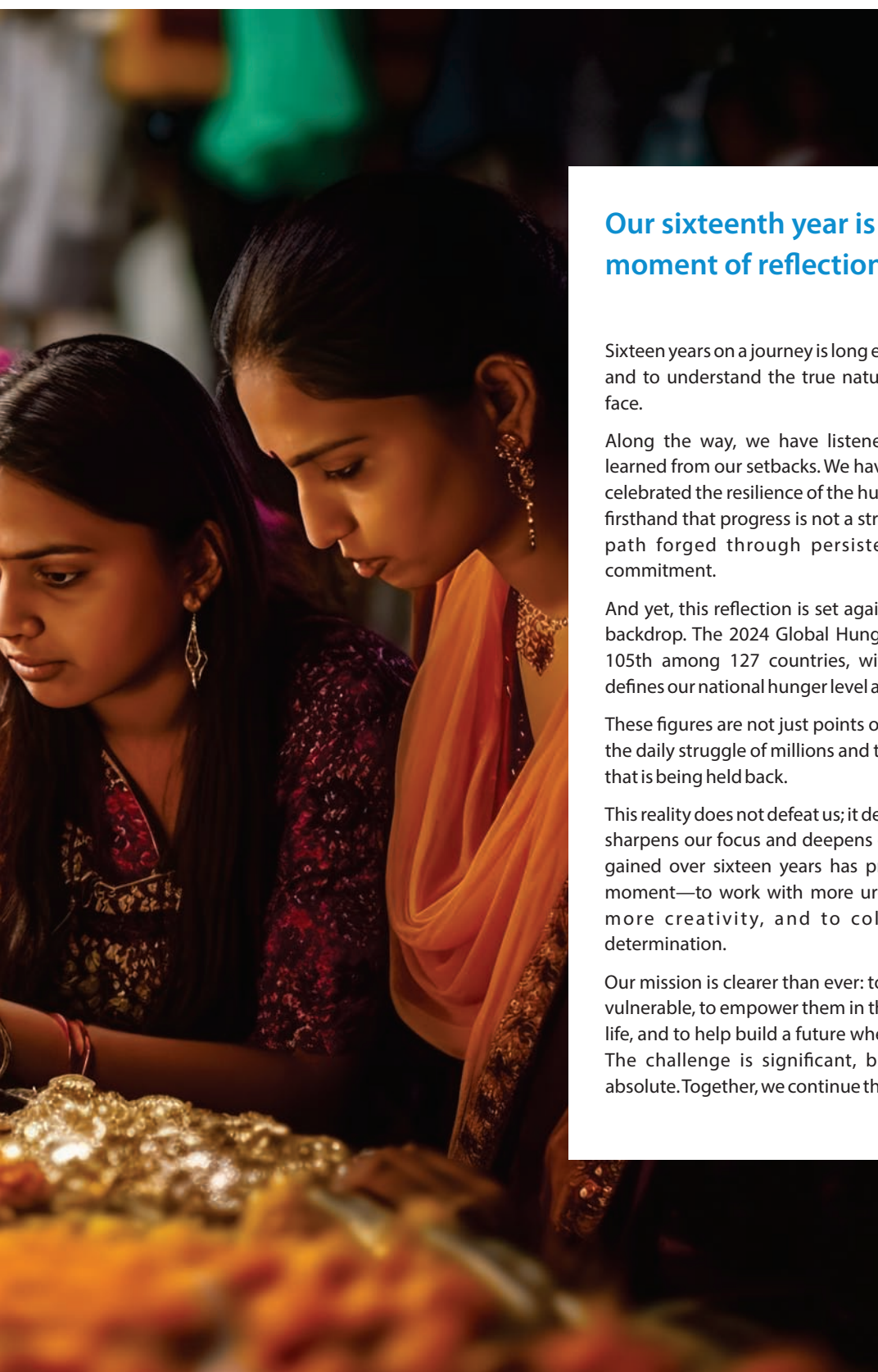
2024-25

Light Microfinance Private Limited

A photograph of three women in traditional Indian clothing (sarees) looking intently at a laptop screen. They are in a market setting, with colorful fabrics and goods visible in the background. The woman on the right is pointing at the screen. The overall tone is warm and focused.

Contents

Onward Together.	1
Our milestones.	4
About the Company	6
Key Performance Indicators	12
Message from the Managing Director	15
Message from the Chief Executive Officer	17
Message from the Chief Financial Officer.....	19
Team engagement	20
CSR Report	28
Board of Directors	40
Board Committees	41
Corporate Details	42
Director's Report & Its Annexures	43
Corporate Governance Report	56
Management Discussion & Analysis	79
Financial Statments	87
Notice of Annual General Meeting (AGM)	166



Our sixteenth year is a moment of reflection.

Sixteen years on a journey is long enough to learn, to adapt, and to understand the true nature of the challenges we face.

Along the way, we have listened to communities and learned from our setbacks. We have built partnerships and celebrated the resilience of the human spirit. We have seen firsthand that progress is not a straight line, but a winding path forged through persistence and unwavering commitment.

And yet, this reflection is set against a stark and sobering backdrop. The 2024 Global Hunger Index places India at 105th among 127 countries, with a score of 27.3 that defines our national hunger level as "serious."

These figures are not just points on a chart; they represent the daily struggle of millions and the vast human potential that is being held back.

This reality does not defeat us; it defines our path forward. It sharpens our focus and deepens our resolve. The wisdom gained over sixteen years has prepared us for this very moment—to work with more urgency, to innovate with more creativity, and to collaborate with more determination.

Our mission is clearer than ever: to stand with India's most vulnerable, to empower them in their ambition for a better life, and to help build a future where no one is left behind. The challenge is significant, but our commitment is absolute. Together, we continue the journey.



JOURNEY

FY 2009

AUG

Light was founded in Ahmedabad, Gujarat

SEP

Light launches first branch in Bavla, Gujarat



FY 2010

NOV

Light disburses first loan



FY 2015

APR

Light expands to Rajasthan

SEP

Archieved Rs. 100 Crore AUM



FY 2018

AUG

Light expands to Madhya Pradesh



**FY 2021****MAR**

Light expands to Haryana

JULY

Series A; Equity infusion of Rs. 75 Crore was completed in Jul 2021

SEP

Achieved AUM of Rs. 700 Crore

**FY 2022****MAR**

Light ranks in FT Ranking Asia - Pacific High Growth Companies 2022 & ET India's Growth Champions

SEP

Series B: Equity Infusion of Rs. 196 Crore

NOV

Expands to Himachal Pradesh

**FY 2023****JULY**

Archives Rs. 2000 Crore AUM

OCT

Expands to Uttar Pradesh, Uttarakhand, Odisha & Jharkhand



16 years
We celebrated every milestone as we prepared better for the journey ahead

Our Milestone

FY 2014

Gujarat



4

Branches

51

Team size

9,444

Customer

19

Disbursement (Rs. Crore)

2

Total Income (Rs. Crore)

0

Net Profit (Rs. Crore)



We made considerable progress

FY 2019

Guajrat, Rajasthan,
Madhya Pradesh & Haryana



74
Branches

591
Team size

1,07,068
Customer

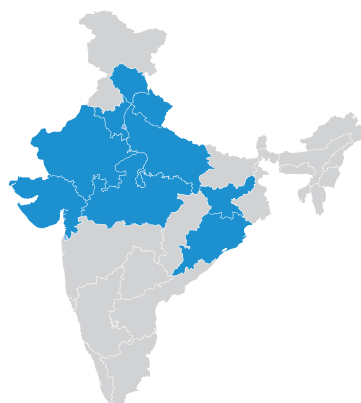
254
Disbursement (Rs. Crore)

44
Total Income (Rs. Crore)

2
Net Profit (Rs. Crore)

FY 2025

Guajrat, Rajasthan,
Madhya Pradesh, Haryana
Himachal Pradesh, Odisha,
Jharkhand, Uttarakhand and
Uttar Pradesh



265
Branches

3,793
Team size

4,90,304
Customer

1,190
Disbursement (Rs. Crore)

500
Total Income (Rs. Crore)

5
Net Profit (Rs. Crore)

About the Company

Light : We are building the quintessential bridge between the endowed and the underprivileged.

Founded in 2009, Light is a Non-Banking Financial Company Micro Finance Institution (NBFC-MFI) that is committed to transforming the lives of marginalized communities across India.

With an unwavering focus on financial inclusion and sustainable development, Light has developed innovative approaches to provide financial services to those underserved by traditional banking institutions.

With a mission to uplift underprivileged communities, Light offers finance products and services aimed at bridging the gap between rural and peri-urban areas.

It primarily focuses on the financial needs of marginalized women. The company's substantial assets are managed effectively to nurture a culture of community empowerment and social cohesion.

Headquartered in Ahmedabad, Gujarat, Light has expanded its territories in multiple states across India, touching the lives of millions of people in the process.

Light is poised to lead the market in delivering top-notch products and services across India, thanks to the exceptional team headed by Mr. Deepak Amin, the Promoter and MD, who is driven by a vision to make a difference and set new standards in the industry.

With a relentless commitment to execution excellence, Light is all set to make its mark in the industry and transform the financial landscape of India.



Vision

To be a trusted leader in financial services.



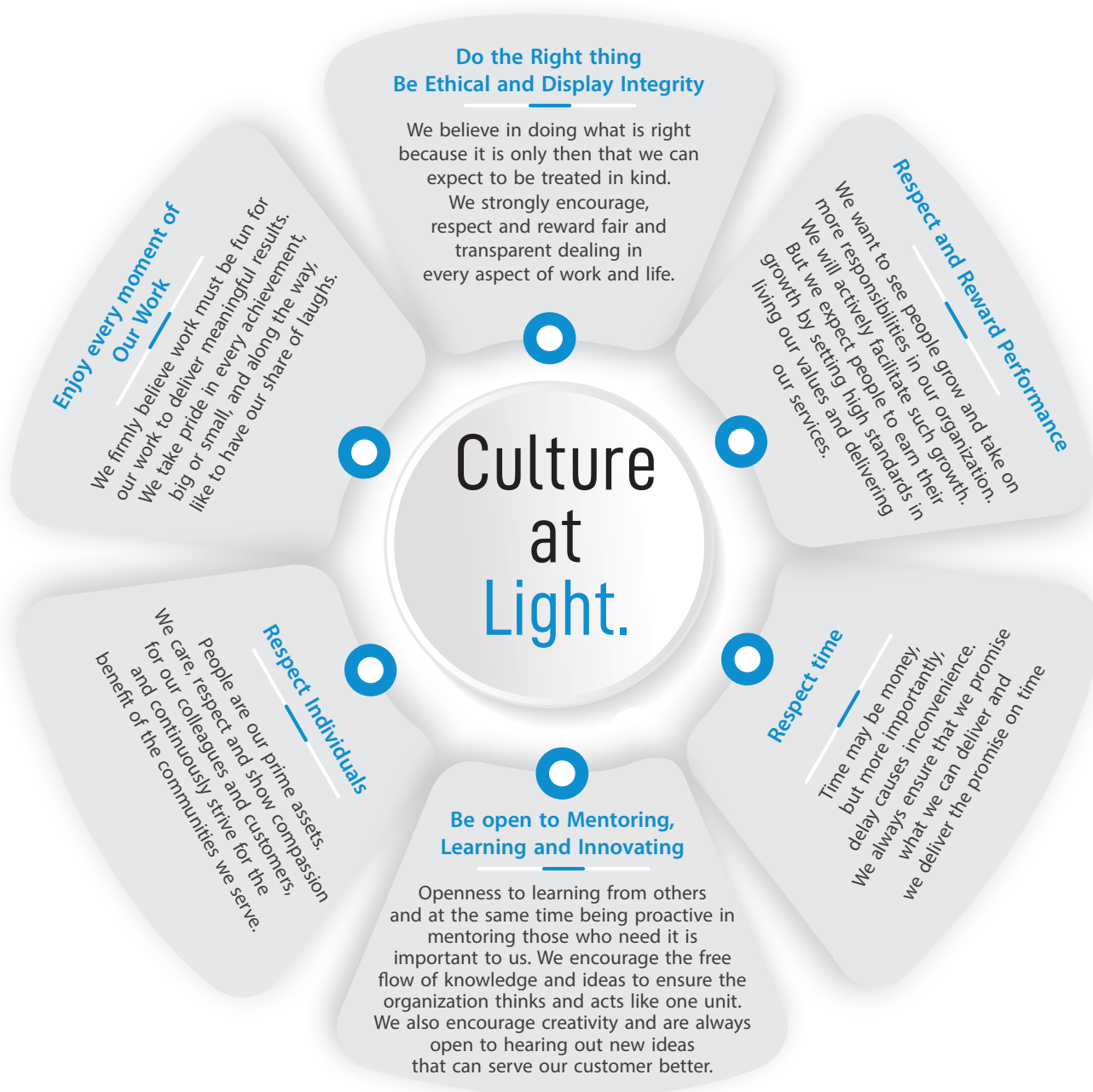
Mission

Develop highly reliable, high touch and scalable financial products and services through innovative, efficient and effective mobilization of capital and deployment of technology for enabling economic and social growth of our customers.



Values

We are Light come from diverse backgrounds and different corners of India to serve a common purpose - to facilitate economic improvement in the lives of millions of poor families who have so far not been given their due share. While diverse, we share and respect common values which drive us every day towards achieving our goal.





Numbers that define us

16

Years of experience

9

Geographic footprint (states)

4,90,304

Number of borrowers

3,793

Team Size

265

Number of Branches

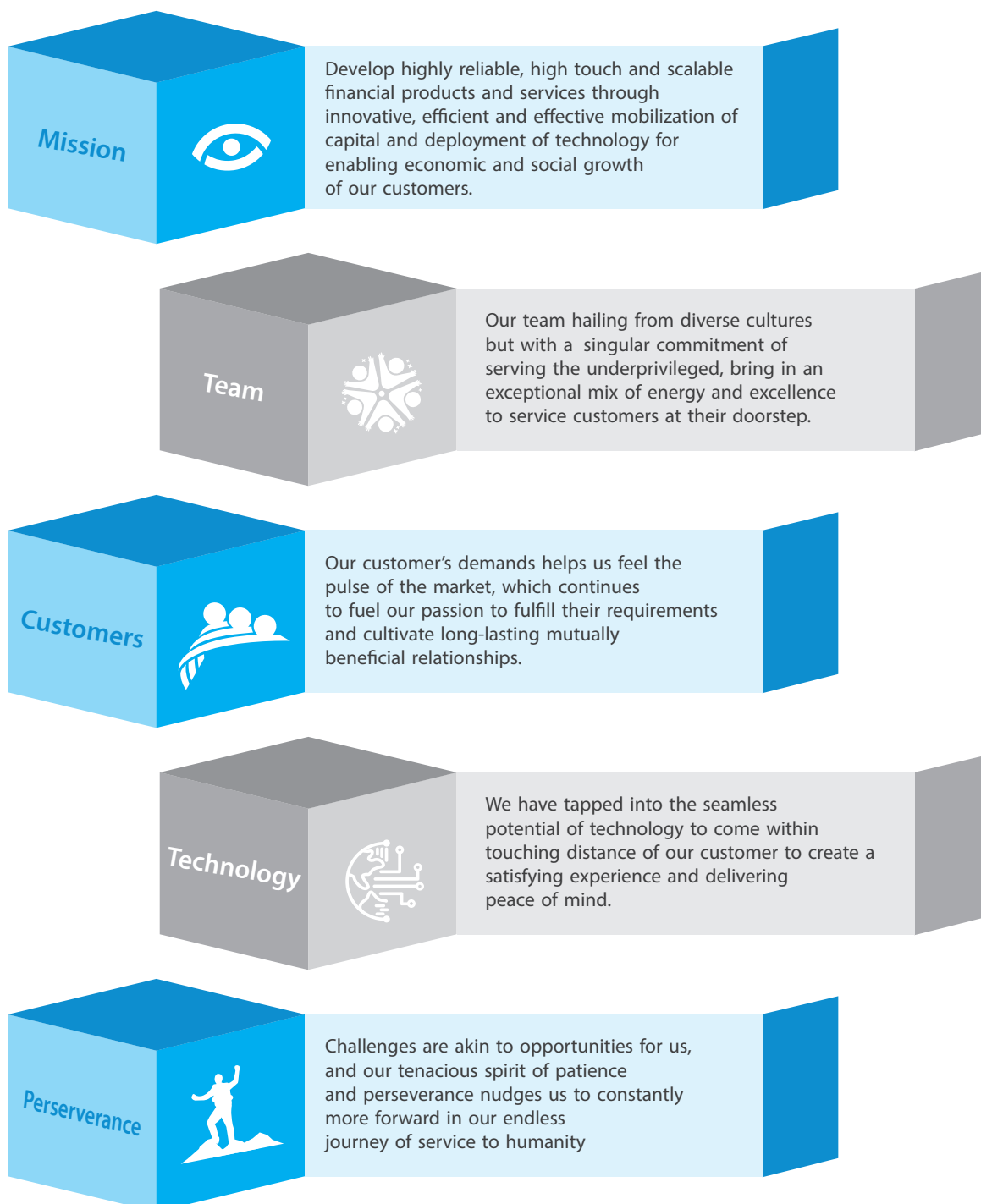
1,794

Total assets (Rs Crore)

BBB+/Stable

Credit rating

What makes Light a solid player in the microfinance sector



Business Highlights Fy25

Moving Onward
together with our
customers and people
is a good strategy.

1,20,146

Net customer addition

482

Revenue from operations (Rs. Crore)
5.66% Degrowth over FY25

1,190

Disbursement (Rs. Crore)
34.330% Degrowth over FY25

1,699

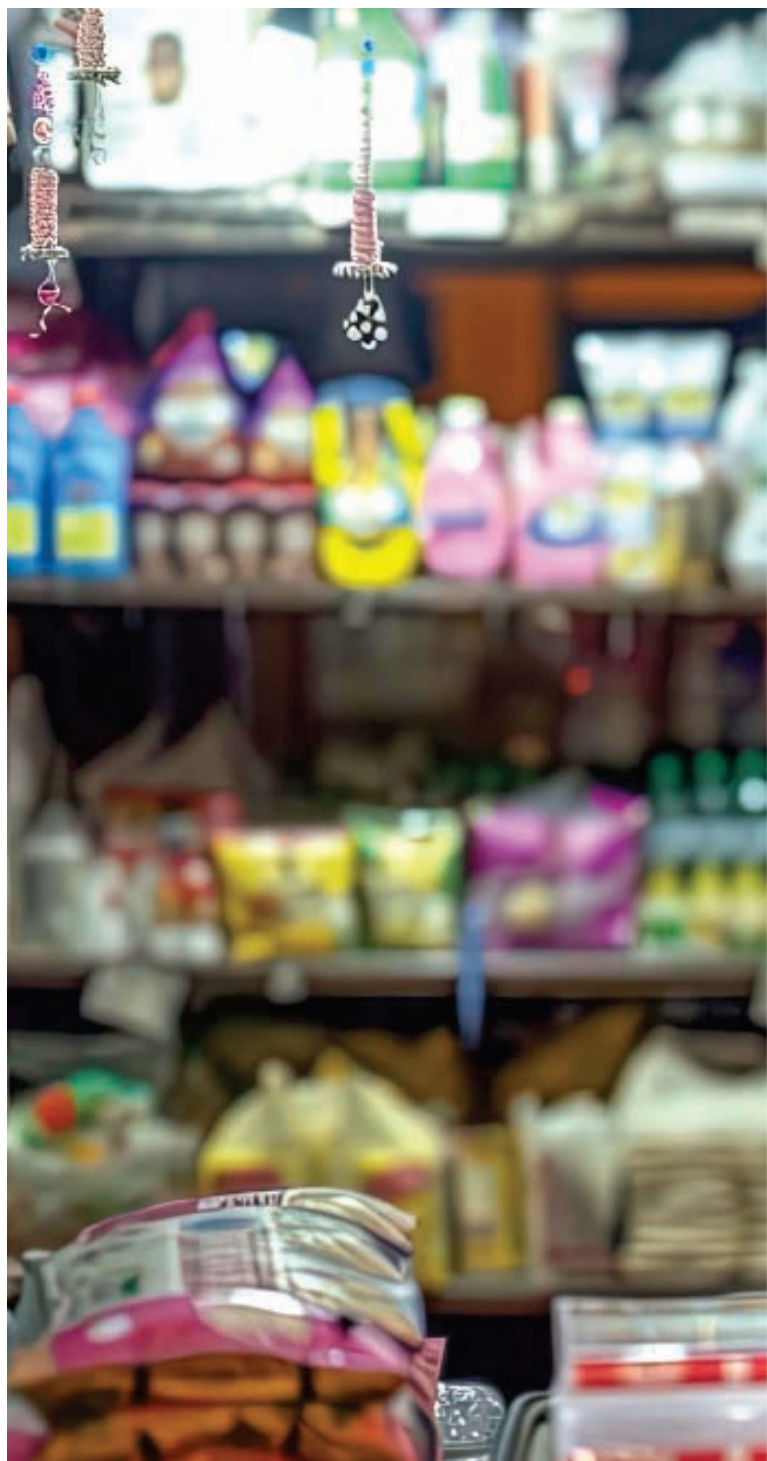
Assets Under Management (Rs. Crore)
24.05.0% Degrowth over Fy25

80

Investment in CSR (Rs. Lakhs)
116% growth over FY24

22

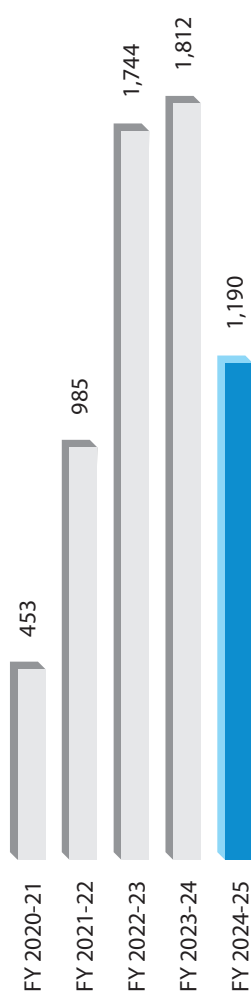
New Branches (Net)





Key Performance Indicators

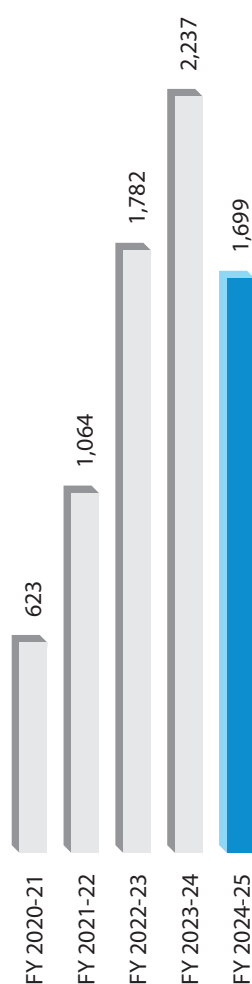
Consistently moving forward
together yields heartening results



Disbursement
(Rs. crore)

27.31%

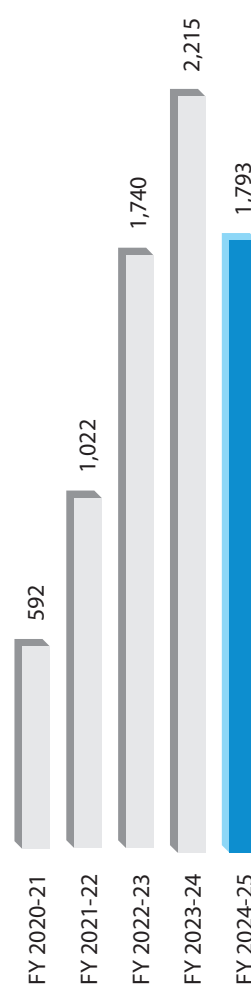
CAGR



Assets under Management
(Rs. crore)

28.51%

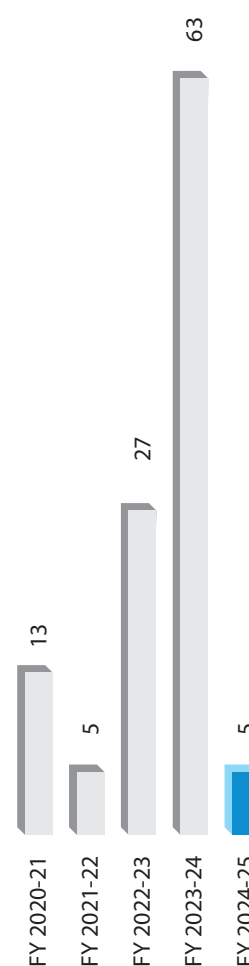
CAGR



Total Assets
(Rs. crore)

31.92%

CAGR



Net Income
(Rs. crore)

(21.25%)

CAGR



From the Desk of Our Leaders



Dear Fellow Shareholders,

I am delighted to present our Company's 31st (Thirty-first) Annual Report for the financial year 2024–25. This year once again brought challenges for the Indian microfinance sector. Institutions across the country faced pressures on disbursements, rising delinquency levels, and an uneven rural economic recovery. Inflationary trends, irregular cash flows, and sectoral volatility impacted customers' repayment capacities. At Light, too, our asset quality came under stress, though it remained better than the industry average, a testament to our prudent lending practices and disciplined field efforts.

Since our inception in 2009–10, we have been guided by a Vision: to be a trusted leader in financial services. Our mission has been to develop highly reliable, high-touch, and scalable financial products and services through innovative, efficient, and effective mobilization of capital and deployment of technology to enable the economic and social growth of our customers. These guiding principles continue to shape our journey and decision-making.

Despite the challenges of FY 2024–25, Light continued to invest in people, customers, and technology, staying true to its founding purpose of empowering small businesses and entrepreneurs with working capital. During the year, we continued to build on **Digital Loans and introduced Micro Enterprise Loans**; initiatives that not only expand our portfolio but also serve evolving customer needs in a rapidly digitizing environment. At the same time, introduced technology solutions, powered by geo-fencing, geo-tagging, and geo-mapping, to further strengthen risk management and operational efficiency across the organization.

Our achievements are built on the dedication of our employees, who continue to be the Company's most valuable asset. I also take this opportunity to thank all our partners, our investors, lenders, board members, regulators, and above all, our customers, for their continued support and trust in us.

Looking Ahead

As we enter FY 2025–26, the challenges will persist but we also see a period of both stabilisation and opportunity. The microfinance sector is gradually moving into a new phase, defined by customer aspiration and rapid technology adoption as the regulatory environment evolves. With our deep expertise in underwriting and risk management, underpinned by customer-centric innovation, responsible lending practices and robust governance, Light is well-prepared to navigate these shifts and convert them into sustainable growth opportunities.

Our strategic focus is clear: to expand responsibly, and drive operational excellence through apt investment in digital platforms that bring financial access to underserved households. We will continue to introduce innovative

products that give customers greater autonomy, allowing flexibility in product type, ticket size, tenor, and repayment structures, ensuring financial solutions adapt to their evolving needs.

At Light, our vision and mission remain the foundation of our progress. Anchored in transparency, integrity, and collective advancement, we are determined to build a stronger, more inclusive, and evolutionary institution, one that empowers customers, transforms lives, and creates sustainable growth for all stakeholders.

Warm regards

Deepak Amin

Managing Director



Dear Friends,

I sincerely hope this message finds you in good health. It gives me great satisfaction to share my thoughts with you at the close of yet another year that has tested the resilience of the microfinance industry as well as our own institution.

The last four to six quarters have been some of the most challenging for the sector. Across the industry, institutions have been grappling with heightened delinquencies, uneven recoveries in rural markets, and slower momentum in disbursements. Customers' repayment capacities were under stress due to inflationary pressures, volatile income flows, and continued uncertainty in local economies. For frontline employees, the environment was equally demanding, with collection efforts requiring extraordinary persistence and commitment.

At Light, we too faced these realities on the ground. **Our deliberate focus during the year was on strengthening portfolio quality** rather than chasing growth. We consciously kept disbursements lower and concentrated on disciplined collection efforts. While this strategic choice moderated our topline expansion, it safeguarded the strength of our balance sheet and ensured long-term value for all stakeholders. Despite the challenges, I am proud to share that Light's **portfolio quality remains among the best in the industry.**

The operating environment also brought into focus the challenges of attrition. Microfinance institutions across the country reported high employee turnover, particularly among field teams. Here again, Light stood apart. Our emphasis on culture, structured training programs, and a people-first approach helped us maintain one of the lowest attrition levels in the industry. This remains one of our most important achievements, as our people are the foundation of our progress and the true custodians of our customer relationships.

Even as we managed immediate challenges, we did not lose sight of the future. During the year, we developed strong collection capabilities in **Digital Loans**, designed to meet the requirements of digitally savvy borrowers who seek faster, seamless access to credit. We also launched **Micro Enterprise Loans**, aimed at supporting entrepreneurs and small business owners who form the backbone of our rural and semi-urban economies. Both initiatives represent our continued commitment to innovation and our focus on aligning products with customer aspirations.

In parallel, we introduced an integrated technology solution that brings geo-fencing, geo-tagging, and geo-mapping into our operations. This framework has significantly strengthened field-level supervision, improved accountability, and enhanced efficiency. **Combined with our progress in digital collections**, where we now stand among the highest in the industry, these measures have laid the foundation for more

efficient, technology-enabled operations. Customers, too, have responded positively, **with growing adoption of digital repayment options** that improve convenience and reduce operational frictions.

Looking Ahead to FY 2025-26

We believe the microfinance sector is entering a new phase of transformation. Technology adoption, customer-centric innovation, and stronger regulatory frameworks will define the next leg of industry growth. For Light, the coming year will be one of stabilisation through careful disbursement and diversification. Our priorities are clear: maintain portfolio resilience, invest further in digital platforms, and continue building products that genuinely empower customers.

We will also continue to integrate technology deeply into our operations. From machine learning-based underwriting models to digital lending platforms with partner institutions, our investments will ensure that our systems remain innovative and capable of serving customers with speed, transparency, and reliability. Importantly, we will preserve our high-touch approach, ensuring that human engagement remains at the heart of our services even as we scale digitally.

In closing, I express my heartfelt gratitude to all those who continue to walk this journey with us. To our investors, lenders, regulators, and partners, your faith in us provides strength and direction. To the Board, your guidance remains invaluable. And to our employees, whose dedication has been nothing short of inspiring, I extend my most profound appreciation. Together, we have navigated a difficult period and continued to move forward with resilience and determination.

The journey of Light has always been about empowering households, enabling livelihoods, and driving inclusive growth. With the lessons of the past year and the momentum we have built, I am confident that we are prepared for the opportunities ahead. Together, we will continue to create meaningful impact and deliver sustainable value for all our stakeholders.

Rakesh Kumar

Chief Executive Officer & Executive Director



Dear Friends,

It gives me great pride to share my thoughts on another year of operations at Light. FY 2024–25 was financially demanding, both for the wider microfinance industry and for us. The sector witnessed significant pressures on disbursement volumes, collection efficiency, and profitability. Light also faced the impact of these headwinds, **with profitability declining on a year-on-year basis**. Asset quality remained a key challenge, though our portfolio continued to perform better than industry benchmarks, reflecting the disciplined financial management and robust operational practices we have always upheld.

Despite the pressures of the last twelve months, Light remained resilient. We maintained healthy **capitalization with a CRAR of more than 25%**, comfortably above the required regulatory thresholds. We also ensured that sufficient liquidity buffers were available at all times, a deliberate choice in light of the uncertain and dynamic operating environment. These fundamentals remain central to our ability to safeguard long-term stability and protect stakeholder value.

While the short-term numbers were affected, our focus on building for the future has remained unchanged. We made targeted investments in technology to improve operational efficiency, strengthen our digital collection infrastructure, and enhance risk detection through better data analytics. These investments, though they carry an immediate cost, are designed to deliver meaningful benefits in scalability, transparency, and customer experience over the medium to long term.

Strategically, FY 2024–25 was also a year of diversification. We continued diversification into two new business lines that are closely aligned with evolving customer requirements and market trends. The first is **Digital Loans**, designed for small-ticket, tech-savvy borrowers who prefer faster turnaround and digital servicing. The second is **Micro Enterprise Loans**, which support entrepreneurial activity in semi-urban and rural regions, empowering small businesses and contributing to economic vibrancy at the community level. These initiatives represent an essential step in expanding our offerings while strengthening engagement with our customers.

Looking Ahead

Our financial priorities remain firmly anchored around balance sheet strength and responsible growth. We will continue to preserve capital adequacy through prudent provisioning, sound risk management, and careful portfolio expansion. Maintaining robust liquidity is a non-negotiable priority, ensuring we remain equipped to respond effectively to market disruptions. At the same time, we will leverage digital platforms and analytical insights to enhance efficiency, streamline processes, and mitigate risks more proactively.

Over the next four to six quarters, growth will be calibrated and measured. We aim to balance portfolio quality with expansion, ensuring that every step forward contributes to long-term resilience. The broader industry is at the beginning of a digital-led transformation. As adoption of technology deepens, institutions like ours will be better positioned to deliver both financial inclusion and sustainable profitability.

FY 2024–25 has been a test of endurance and discipline, but Light exits the year with a strong balance sheet, diversified product portfolio, and forward-looking investments in place. This positions us well to capture emerging opportunities as the industry stabilizes and the macro environment turns more favorable.

I want to thank our stakeholders for their trust and unwavering support. Our investors, lenders, regulators, customers, and colleagues continue to be the foundation on which Light is built. To our team, whose commitment and effort during a challenging year enabled us to maintain our standards and stay focused on the future, I extend my deepest gratitude.

While challenges remain, Light is well placed to navigate them and create meaningful, lasting value for all those associated with us. With resilience as our core and innovation as our guide, we will continue on the path of sustainable growth and inclusive impact.

Aviral Saini

Chief Financial Officer & Executive Director

Our fun moments





Blood Donation



Women's day







CSR





CSR Report

Light is not just a corporate entity—it represents a guiding force committed to uplifting communities and fostering positive change throughout India. This report showcases the meaningful efforts carried out under Light's Corporate Social Responsibility (CSR) framework during the financial year 2024–25, impacting the lives of over 27,999 individuals. With a clear focus on Education, Healthcare and Women's Empowerment, Light envisions building an inclusive society where access to essential services, equal opportunity and a life of dignity are available to all.

The organization remains steadfast in its mission to drive sustainable change through targeted interventions. Its core initiatives are designed to equip children with the resources they need to thrive academically, ensure healthcare accessibility through both preventive and curative services, raise awareness about hygiene and sanitation and support women in becoming confident, self-reliant contributors to their communities. Environmental care also remains a key priority. Since its launch, Light's community development initiatives have rapidly expanded—touching the lives of more than 52,999 individuals over the past four years and continuing to grow in scale and impact.



E  **ducation**

Programme
**Ek Hi Iccha,
Sabko Shiksha**

Projects
**Badhte Kadam
Anmol Angan
Safe Harbour**

H  **health**

Programme
Nirog

Projects
Nirog

W  **omen's
Empowerment**

Programme
**Aapka Bhagya,
Aapke Haath**

Projects
Swavalamban

Marquee Programmes



Ek Hi Iccha, Sabko Shiksha (Education):

Light firmly believes that education is the cornerstone of a thriving and progressive society. Under its flagship initiative Ek Hi Iccha, Sabko Shiksha, the company takes a comprehensive approach to meet the learning needs of children in both rural and urban settings. The program comprises several educational projects aimed at fostering an inclusive environment where every child has the chance to flourish academically. Through these multi-pronged efforts, Light envisions a future where quality education becomes a reality for all, regardless of background or geography.

- **Badhte Kadam:** This initiative addresses a fundamental challenge many underprivileged students face—lack of basic educational supplies. By distributing essential stationery kits to children, Badhte Kadam ensures they are equipped with the tools they need to engage actively in the classroom, supporting equal learning opportunities for every child.
- **Anmol Angan:** Focused on adolescent girls, this project seeks to break the silence surrounding menstruation and hygiene, especially in underserved communities. Through open, informative and age-appropriate sessions, Anmol Angan provides young girls with accurate information, encourages healthy hygiene habits and works to dismantle the stigma around menstruation. The initiative empowers girls to navigate this important life stage with confidence and awareness.
- **Safe Harbour:** With the safety of young children at its core, Safe Harbour introduces critical personal safety education to children aged 5 to 10 years. Interactive workshops using storytelling, songs, role-play and engaging games help children understand the concept of good and bad touch. The project builds awareness in a child-friendly manner and fosters open dialogue, empowering children to protect themselves and seek help when needed.

Nirog (Health):

Light understands that a healthy community is the foundation for a thriving society. With this in mind, the Nirog initiative is dedicated to enhancing healthcare access for underserved populations. By conducting eye examinations and general health check-up camps in remote rural areas, the program brings essential medical services directly to people's doorsteps—especially those who might otherwise go without timely care.

Aapka Bhagya, Aapke Haath (Women Empowerment)

Empowering women is at the heart of Light's Aapka Bhagya, Aapke Haath program, which aims to help women across India unlock their potential and achieve financial independence. By providing sewing machines to women from underprivileged backgrounds, we enable them to start home-based ventures, generate income and build sustainable livelihoods.

Swavalamban: This project is designed to cultivate self-reliance among women by offering tools and training to start small businesses. By encouraging entrepreneurship, Swavalamban helps women take control of their financial well-being, fostering economic stability for both themselves and their families.

Our Outreach

Light remains deeply committed to evolving its Corporate Social Responsibility (CSR) efforts to drive meaningful, long-term change. As the company looks ahead, it is focused on strengthening its impact through strategic growth and innovation.

Widening the Reach: Light is set to broaden the geographic footprint of its CSR programs across all 9 states where it operates. By expanding its presence, the company aims to touch more lives and address critical community needs in both new and existing regions.

Building Stronger Collaborations: Recognizing the power of partnerships, Light plans to deepen engagement with NGOs, government bodies and key stakeholders. These collaborations will help extend the reach of its programs, enabling broader, more inclusive development.

Strengthening Monitoring and Evaluation: To ensure programs deliver maximum benefit, Light will introduce advanced tracking and evaluation systems. These tools will guide program adjustments in real-time, helping refine approaches and ensure resources are used effectively.

Driving Innovation and Replication: Light is committed to finding fresh solutions to pressing social issues. The company will invest in developing innovative, scalable models that can be adopted across diverse communities—amplifying their impact far beyond initial implementation.

In the face of evolving expectations and shifting market landscapes, Light continues to prioritize united action for meaningful change. The company remains steadfast in its mission to promote sustainability and community upliftment, ensuring its CSR efforts create tangible value for individuals, the environment and society at large.

In its fourth consecutive year, Light's community-focused initiatives continued to create meaningful impact during the 2024–25 fiscal year. The company remained deeply committed to addressing the most pressing needs of underserved communities through its core focus areas—education, healthcare, WASH (Water, Sanitation and Hygiene) and women's empowerment. These thoughtfully implemented interventions have delivered measurable and lasting benefits in the regions where Light operates, reinforcing the company's vision of inclusive and sustainable development.

Light's initiatives now span some of the most remote and underserved regions of Gujarat, Rajasthan, Haryana, Madhya Pradesh, Uttar Pradesh, Odisha and other states. By identifying and responding to urgent developmental gaps, the company is helping build stronger, more resilient communities, empowering individuals and enhancing overall well-being in these areas.

Light's vision goes beyond statistics. Its CSR efforts are rooted in the belief that true success lies in empowering people and fostering sustainable growth. The focus remains on driving meaningful, long-term impact that uplifts entire communities and paves the way for a better future.

1

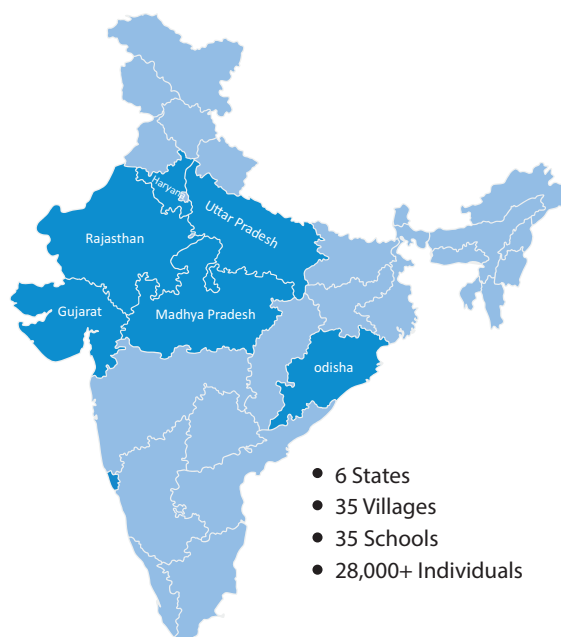
**Ek Hi Iccha,
Sabko Shiksha**

2

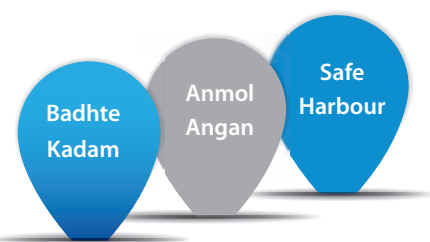
Nirog

3

**Aapka Bhagya,
Aapke Haath**



Ek Hi Iccha, Sabko Shiksha



Education remains a powerful catalyst for India's long-term social transformation. Despite ongoing challenges such as financial hardship and infrastructure limitations, initiatives like free education, scholarships and community-driven learning programs continue to close the gap for underprivileged children. Public-private partnerships have also played a vital role in promoting skill-building and vocational training, enabling children to rise above economic barriers. Light remains committed to inclusive, holistic development, striving to shape the next generation of leaders, thinkers and changemakers. These efforts reflect the organization's vision of an equitable society where opportunity is accessible to all.

Launched in 2021-22, 'Ek Hi Iccha, Sabko Shiksha' has become one of Light's flagship CSR initiatives. The program is dedicated to supporting children across both rural and urban India, ensuring they not only access but also complete their formal education. With a strong focus on practical and social learning, the initiative aims to provide a solid foundation for every child's academic journey.

During the 2024-25 cycle, the program continued with three core projects:

Badhte Kadam – Which distributed age-appropriate stationery kits to schoolchildren to support their classroom learning.

Anmol Angan – Which provided menstruation awareness and hygiene education to adolescent girls, addressing stigmas through open dialogue and education.

Safe Harbour – Which focused on teaching young children, aged 5 to 10, about body safety, helping them understand the difference between safe and unsafe touch in a friendly and interactive format.

These projects were implemented across 31 government schools and four Anganwadi centers in Guna (Madhya Pradesh), Alwar (Rajasthan), Dahod (Gujarat), Kaithal (Haryana), Muzaffarnagar (Uttar Pradesh), Nayagarh and Khorda (Odisha). By equipping children with critical knowledge and essential resources, the program not only enhances their academic development but also fosters self-confidence and essential life skills.

'Ek Hi Iccha, Sabko Shiksha' represents Light's enduring commitment to empowering future generations through education, laying the groundwork for a more informed, capable, and compassionate society.



Project: Badhte Kadam

OBJECTIVE: In many rural parts of India, children's access to quality education is often hindered by something as basic as the unavailability of school supplies. The absence of essential learning materials creates a barrier that affects a child's ability to participate effectively in the classroom and hampers their academic growth.

FOCUS: Understanding that tools like notebooks and pencils are foundational to a child's education, this initiative was developed to bridge the resource gap faced by children in underprivileged communities. The project focuses on supporting students in rural government schools, where economic challenges often prevent families from providing the necessary educational supplies.

IMPLEMENTATION & IMPACT: In the 2024-25 academic year, the program reached a total of 14,000 students across 31 rural government schools and 4 Anganwadi centers (early childhood care centers). The impact of this initiative has been transformative, with notable improvements in student engagement, participation, and enthusiasm for learning. The increased availability of essential school supplies has significantly contributed to better academic performance, with students showing more interest and commitment to completing their assignments and actively engaging in classroom activities.

Project: Anmol Angan

In rural India, menstruation remains a subject often cloaked in secrecy and stigma, limiting girls' ability to understand and manage this natural process. This lack of awareness, combined with societal taboos and misconceptions, can lead to confusion, anxiety, and harmful health practices. Recognizing this gap, Light's Project Anmol Angan, under the Ek Hi Iccha, Sabko Shiksha initiative, focuses on empowering adolescent girls with knowledge and skills to navigate menstrual health and hygiene, while promoting open dialogue around this crucial aspect of women's health.

OBJECTIVE: Project Anmol Angan aims to bridge the information gap about menstruation, reproductive health and hygiene, particularly in rural areas, by providing a safe space for girls to learn, ask questions and engage in conversations that are often silenced by cultural taboos. The project focuses on addressing the lack of awareness that leaves many young girls unprepared and vulnerable when they reach puberty.

FOCUS: The program equips girls with life skills, confidence, and the understanding needed to navigate menstruation and the changes their bodies undergo during adolescence. It tackles key issues such as:

Menstruation Myths: Dispelling misconceptions that cause shame and confusion about menstruation, a natural biological process.

Evolving Bodies: Educating girls on the physical changes they experience, helping them build self-esteem and confidence.

Project Details: The initiative brings professional guidance from experienced female instructors from Ahmedabad Women's Action Group (AWAG), a non-profit partner. These instructors lead interactive sessions,

focusing on:

Dispelling myths surrounding menstruation, reproductive health and personal hygiene.

Offering clear, age-appropriate information to empower girls to make informed decisions about their bodies.

Creating an open platform for girls to express their concerns and ask questions in a safe and non-judgmental environment.

The program emphasizes proper hygiene practices during menstruation, such as using sanitary products, proper disposal and maintaining personal cleanliness to prevent infections and ensure overall well-being.

IMPLEMENTATION & IMPACT : Community Change: The girls become ambassadors of menstrual health, breaking down taboos in their communities. By discussing their experiences openly, they challenge the silence and stigma that surrounds menstruation, leading to a shift in community attitudes.

Healthier Families: By empowering girls with knowledge about menstrual health and hygiene, the project has a ripple effect within families. Girls are better equipped to pass on healthy practices to their families, creating a more informed and health-conscious environment at home.

Breaking the Cycle of Poverty: Education and empowerment are key to improving the life opportunities of girls. With better knowledge about their health, girls are more likely to stay in school, pursue their education and find employment, thus contributing to breaking the cycle of poverty within their communities.

Ek Hi Iccha, Sabko Shiksha

The program was implemented in six districts across six Indian states

- Dahod district, Gujarat
- Alwar district, Rajasthan
- Guna district, Madhya Pradesh
- Kaithal district, Haryana,
- Muzaffarnagar district, Uttar Pradesh,
- Nayagarh and Khorda district, Odisha



Badhte Kadam

14000
Beneficiaries

Kids were distributed stationery kits which included notebooks, pencil, drawing books and crayons.



Anmol Angan

2113
Beneficiaries

Light's first WASH program, combats misinformation and empowers girls in rural India regarding menstruation.

Project: Safe Harbour

Child sexual abuse continues to be a deeply concerning issue in India, despite growing awareness and intervention efforts. Addressing this requires more than policy—it demands community-based education, proactive awareness and safe spaces where children are heard, protected and empowered. Light's CSR initiative, Safe Harbour, was born out of this necessity. It is a dedicated project focused on educating young children about personal safety in a compassionate and age-appropriate manner.

OBJECTIVE: India's children are at risk, with a case of child sexual abuse reported every 15 minutes. Even more disturbing is the fact that 85% of perpetrators are known to the victim and only 1 in 4 children ever speak out. These statistics highlight the urgency for focused intervention. Safe Harbour takes a preventive approach, aiming to equip children with the awareness and confidence to recognize unsafe situations and take action to protect themselves.

FOCUS: This initiative is rooted in the belief that awareness is the first step toward prevention. Safe Harbour is designed to create safe environments where children feel empowered to understand their rights, recognize abuse, and seek help. By educating children aged 5 to 10 years through child-friendly content and methods, the project lays a strong foundation for emotional resilience and self-protection.

Program Implementation & Key Features

Bringing Awareness to Rural Schools : The program is primarily conducted in rural government schools, where children are most vulnerable and access to such information is limited. Sessions are held in the children's mother tongue to ensure clarity, comfort and engagement. The age-specific content ensures that children grasp essential safety concepts without feeling overwhelmed.

Interactive, Engaging Learning : through play is central to Safe Harbour. The sessions are filled with songs, storytelling, role plays, and interactive games that teach the concepts of safe and unsafe touch in a memorable and meaningful way. These activities promote not just learning, but also participation and self-expression.

Powerful Visual : Tools to reinforce key messages, the sessions use illustrated booklets, colorful posters and short educational films tailored for young audiences. These tools help make the learning lasting and effective, serving as reminders that children can refer back to at school or at home.

Empowering Children with Confidence : The goal is not just to inform, but to empower. Children are taught that they have the right to say "no," to remove themselves from uncomfortable situations, and to seek help from trusted adults. By building this awareness early, Safe Harbour strengthens their ability to protect themselves in the long run.

Impact : Beyond the classroom, Safe Harbour fosters a ripple effect within communities. When children become informed, they often initiate conversations at home—helping to dismantle silence and taboo around child protection. The program cultivates a culture of awareness, trust, and collective responsibility.

Looking Ahead : Safe Harbour envisions a future where children across India, regardless of geography or background, grow up in an environment free from fear and abuse. By focusing on knowledge, confidence and emotional safety, the initiative not only safeguards childhood but also helps build a society that prioritizes dignity, respect, and care for its youngest members.



Nirog



In India's rural heartlands, health and livelihood are closely intertwined. Most families depend on physical labor - especially in agriculture - for their daily income. However, limited access to healthcare often means that minor health issues go untreated, leading to bigger problems that hinder productivity and increase financial strain. Recognizing this gap, Light's CSR initiative 'Nirog' focuses on bridging healthcare disparities by delivering essential medical support directly to underserved communities.

OBJECTIVE : Nirog is a preventive healthcare program designed to uplift the health and well-being of individuals living in both rural and semi-urban areas. Its core objective is to make basic healthcare services accessible to those who often cannot afford or reach them. By prioritizing early diagnosis and timely care, the program works to prevent disease onset and reduce the long-term healthcare burden on families.

FOCUS : The initiative believes that good health is the foundation of a prosperous life. It empowers communities by

promoting wellness, encouraging regular checkups and educating individuals about hygiene and health practices. Through this, Nirog supports improved productivity, better learning outcomes and overall community development.

The program is committed to reaching the unreached - particularly those with limited mobility, awareness, or financial capacity to seek care independently.

PROGRAM FEATURES

Health Check-up Camps: Conducted at the village level with the help of medical professionals, these camps offer general health screenings to identify common ailments and health risks.

Vision Screening: Eye check-up camps are held for school children, villagers and the elderly—groups most likely to face undiagnosed vision problems.

Free Distribution of Spectacles: For those diagnosed with visual impairments, Nirog provides free spectacles, improving not just vision but also enabling children to learn better and adults to work efficiently.

Awareness Drives: In addition to medical services, the program spreads awareness on topics like nutrition, hygiene and disease prevention through local outreach and interactive sessions.

IMPLEMENTATION & IMPACT

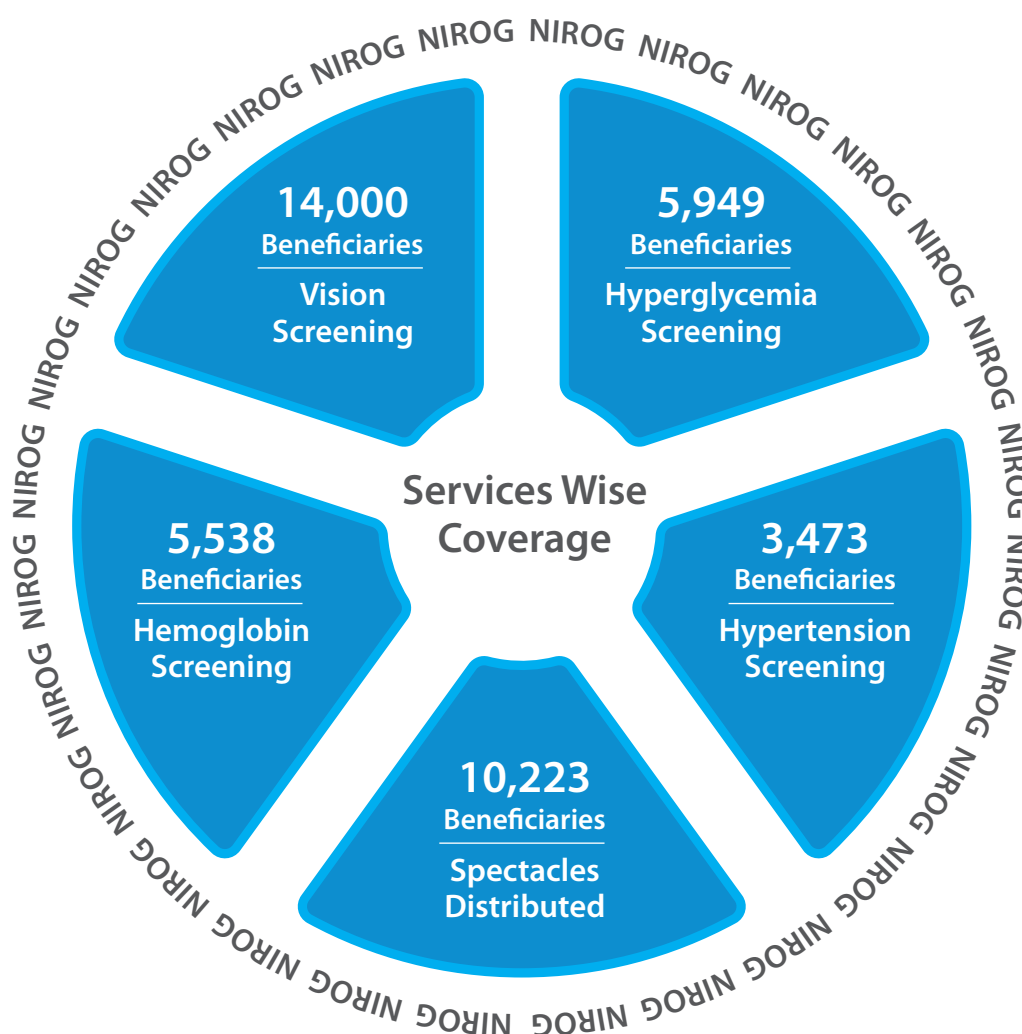
In 2024–25, Nirog expanded its outreach, delivering healthcare services to thousands of individuals across multiple districts. The visible impact includes:

Early detection of health issues such as anemia, high blood pressure and poor vision.

Improved school attendance and concentration among children who received corrective eyewear.

Reduced health-related absenteeism in farming communities, boosting economic stability.

By empowering individuals to take charge of their health, Nirog is not only alleviating present-day medical issues but also paving the way for a healthier, more resilient rural India. It aligns with the broader vision of equitable healthcare access for all, fostering well-being that fuels long-term community progress.



The program was implemented in 35 villages across 6 states in India. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Uttar Pradesh and Odisha

Nirog



Aapka Bhagya, Aapke Haath



Financial independence for women in India plays a pivotal role in driving societal progress. When women are able to earn and manage their own income, it creates a powerful ripple effect - positively impacting their families, communities and the next generation. Recognizing this vital connection, Light's CSR initiative 'Aapka Bhagya, Aapke Haath' is dedicated to empowering women through self-reliance and economic independence.

The program is built on the belief that financially empowered women tend to invest more in their families' well-being, especially in areas like education and healthcare. This creates a pathway to break the cycle of poverty and enables long-term social upliftment. By nurturing financial autonomy among women in rural and urban areas, the initiative also promotes inclusive development and gender equity.

In 2024-25, the initiative completed its third impactful year, with the Swavalamban project at its core. Through this focused program, over 41 women were empowered with training and resources that helped them begin their entrepreneurial journeys. The sessions provided not only skill

development but also guidance and mentorship to strengthen their confidence and capabilities.

Understanding that skills alone are not enough, the program also distributed sewing machines to the beneficiaries. This tangible support enabled women to convert their newly acquired skills into income-generating opportunities, laying the foundation for small businesses and greater economic stability.

OBJECTIVE: The Swavalamban project under Aapka Bhagya, Aapke Haath is centered on empowering women by supporting their journey toward financial independence and self-sufficiency. The initiative is designed to uplift women by equipping them with the tools they need to build stable, income-generating livelihoods.

FOCUS: This project focuses on enabling women to establish small-scale businesses by providing the necessary inputs and support. The aim is to foster entrepreneurship among women, helping them achieve financial autonomy and confidence in their abilities.

PROJECT DETAILS: The project specifically identifies women from underprivileged and economically challenged backgrounds who have the potential to succeed as entrepreneurs. Many of these women are survivors of hardship - having faced issues like domestic violence, dowry-related struggles, widowhood, or the responsibilities of single motherhood. Based on their interests and skill sets, tailored support is offered. In the 2024-25 cycle, 41 women were provided with sewing machines, giving them the opportunity to start home-based tailoring businesses and secure a more stable livelihood.

IMPLEMENTATION & IMPACT: Through Swavalamban, women are encouraged to build self-reliant businesses, allowing them to move away from labor-intensive or exploitative work conditions. As their ventures grow, these women gradually escape the cycle of debt and gain the confidence to shape a brighter, independent future. By earning their own income, they reclaim their right to livelihood and challenge long-standing societal norms - proving that women, too, can be the breadwinners of their families.



BOARD OF DIRECTORS



Mr. Deepak Amin
Managing Director



Mr. Rakesh Kumar
CEO and Executive Director



Mr. Aviral Saini
CFO and Executive Director



Mr. Anuj Kumar
Independent Director



Ms. Daksha Shah
Independent Director



Mr. Paresh Vora
Additional Independent Director



Mr. Aditya Bhandari
Nominee Director



Ms. Parul Hariharan
Nominee Director



Mr. Arvind Kodikal
Nominee Director

BOARD COMMITTEES

As on March 31, 2025

AUDIT COMMITTEE

Mr. Anuj Kumar
Ms. Daksha Shah
Mr. Aditya Bhandari

NOMINATION AND REMUNERATION COMMITTEE

Mr. Anuj Kumar
Ms. Daksha Shah
Mr. Aditya Bhandari

RISK MANAGEMENT COMMITTEE

Mr. Anuj Kumar
Mr. Deepak Amin
Mr. Rakesh Kumar
Mr. Aviral Saini

IT STRATEGY COMMITTEE

Mr. Anuj Kumar
Mr. Deepak Amin
Mr. Rakesh Kumar
Mr. Aviral Saini
Mr. Satish Dhupdale
Mr. Aditya Bhandari

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Deepak Amin
Mr. Rakesh Kumar
Mr. Aviral Saini

SECURITIES ALLOTMENT COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini

INTERNAL COMPLAINTS COMMITTEE

Ms. Anjali Shah
Dr. Damini Shah
Ms. Nidhi Shah
Ms. Varsha Wardhani
Mr. Jayanta Chatterjee

SHARE TRANSFER COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini

INTERNAL INVESTIGATION COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini
Mr. Pratik Soyantar
Mr. Jayanta Chatterjee
Mr. Sanjay Solanki
Mr. Ashutosh Singh

EXECUTIVE MANAGEMENT COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini
Mr. Jayanta Chatterjee

BORROWING COMMITTEE

Mr. Rakesh Kumar
Mr. Deepak Amin
Mr. Aviral Saini

PRODUCT COMMITTEE

Mr. Aviral Saini
Ms. Madhavi Gajjar

CORPORATE DETAILS

- Corporate Identification Number
- RBI Registration number
- Registered Office

- Corporate Office

- Email
- Website
- Contact No.
- ISIN

- LEI Number
- Listed at

U67120DL1994PTC216764
B-14.03244
308 Aggarwal Tower, Plot No.2 Sector – 5,
Dwarka New Delhi – 110075
1501, 15th Floor, Sankalp Square 3B, Sindhu Bhavan Road,
B/s Hotel Taj Skyline, Shilaj, Ahmedabad – 380058
compliance@lightfinance.com
www.lightfinance.com
07940050059
Equity: INE366T01017

Compulsorily Convertible Preference Shares

Series A	Series A1	Series B
INE366T03013	INE366T03039	INE366T03047
335800PYN5I66BT97U45		
BSE Limited through Non-Convertible Debentures		

BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. Deepak Amin

EXECUTIVE DIRECTORS

Mr. Rakesh Kumar
Mr. Aviral Saini

NON-EXECUTIVE INDEPENDENT DIRECTORS

Mr. Anuj Kumar
Mr. Chandan Sinha [Resigned w.e.f. 14.08.2024]
Ms. Daksha Shah [Appointed w.e.f. 12.08.2024]
Mr. Paresch Vora [Appointed w.e.f. 11.02.2025]

NOMINEE DIRECTORS

Mr. Thomas Klungsøyr [Resigned w.e.f. 27.06.2024]
Mr. Aditya Bhandari [Resigned w.e.f. 08.04.2025]
Ms. Parul Hariharan [Appointed w.e.f. 12.11.2024]
Mr. Arvind Kodikal [Appointed w.e.f. 11.02.2025]
Ms. Lise Lindback [Appointed w.e.f. 27.05.2025]

KEY MANAGERIAL PERSONNEL

Managing Director

Mr. Deepak Amin

Chief Executive Officer

Mr. Rakesh Kumar

Chief Financial Officer

Mr. Aviral Saini

Chief Compliance Officer & Company Secretary

Ms. Madhavi Gajjar

AUDITORS

STATUTORY AUDITOR

M/s Talati & Talati LLP

Chartered Accountants

(FRN.:110758W/W100377)

Ambica Chambers, Near Old High Court, Navrangpura,
Ahmedabad – 380 009, India Tel: 079 2754 4571/72/74

Website: www.talatiandtlati.com

INTERNAL AUDITOR

M/s Sorab S. Engineer & Co.

Chartered Accountants

(FRN.:110417W)

804, Sakar IX, Reserve Bank of India, Ashram Rd,
Beside Old RBI, Mill Officer's Colony, Muslim Society, Ellisbridge,
Ahmedabad, Gujarat 380009 Website: www.sseco.in

INFORMATION SYSTEM AUDITOR

Sumeru Software Solutions Private Limited

1st Floor "Samvit, Near the Art of Living International Center,
21st KM Kanakapura Main Road, Udayapura,
Bangalore – 560082 Karnataka, India

Website: inservice.sumeru.com; www.sumeruthreatmeter.com

SECRETARIAL AUDITOR

M/s Keyur J. Shah & Associates

Company Secretaries

[M. No.: F9559 | COP No.: 8814]

1007 & 1003, Sun Avenue One, Near Shreyas Foundation,
Manekbaug Society, Ambawadi, Ahmedabad-380015,
Gujarat, India Website: www.keyurjshah.com

REGISTRAR AND SHARE TRANSFER AGENT DETAILS

Registrar & Share Transfer Agent

MUFG Intime India Private Limited

(Formerly Known as "Link Intime India Private Limited")

C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

Toll-free number: 1800 1020 878 (from 10:00 AM to 4:00 PM)

Tel: +91 22 49186060 Website: www.in.mpms.mufg.com

DEBENTURE TRUSTEE

Beacon Trusteeship Limited

5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra
(East), Mumbai, Maharashtra, India, 400051 Phone: 022-46060278
Website: www.beacontrustee.co.in

Catalyst Trusteeship Limited

910-911, 9th Floor, Kailash Building,
26, Kasturba Gandhi Marg, New Delhi – 110001

Tel: 011-43029101, Fax: +91 22 4922 0505, Phone No. 011-43029101

Website: www.catalysttrustee.com

Director's Report

Dear Members,

The Board of Directors (the "Board") takes pleasure in presenting the 31st (Thirty first) Annual Report of Light Microfinance Private Limited ("your Company" or "the Company") together with the Audited Financial Statements ("Financial Statements") for the Financial Year ended March 31, 2025 ("FY 2024-25" or "period under review" or "financial year under review"). The Company is registered with the Reserve Bank of India ("RBI") as a Non-Banking Financial Company Micro Finance Institution, (NBFC-MFI).

❖ BUSINESS OVERVIEW:

FY25 was a year of strategic consolidation as the company navigated a complex and evolving business environment. Efforts were concentrated on strengthening core operations, enhancing service delivery, and driving internal efficiencies. In light of market uncertainties, the focus remained on operational stability rather than expansion. Key initiatives included investments in digital infrastructure, process optimization, and workforce capability enhancement. These foundational steps prepare us for a more agile and focused FY26

❖ FINANCIAL SUMMARY & HIGHLIGHTS:

(Amount in ₹ Lakhs)

Particulars	FY 2024-25	FY 2023-24
Revenue from Operations	48,190.86	51,074.62
Other Income	1302.15	882.78
Total Income	49,493.01	51,957.40
Less: Depreciation/ Amortisation/ Impairment	1378.18	918.82
Less: Finance Costs	20796.18	20,645.80
Less: Other Expenses	26577.59	22,356.55
Profit/loss before Tax Expense	741.06	8,036.23
Less: Tax Expense (Current & Deferred)	259.54	1,727.74
Profit/loss for the year (1)	481.52	6,308.49
Other Comprehensive Income/loss (2)	155.21	(90.63)
Total Comprehensive Income (1+2)	636.73	6,217.86
Earnings per share:		
1. Basic	1.92	25.18
2. Diluted EPS	0.74	8.32

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and as per relevant clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

❖ The audited financial statements of the Company as stated above, and all other documents required to be attached thereto are available on the Company's website at <https://www.lightfinance.com/resources/>

The Company doesn't have any subsidiaries in the given financial year so there is no need to prepare Consolidated Financial Statements for the FY 2024-25.

❖ RESULTS OF OPERATIONS:

❖ Revenue:

Your Company reported a turnover of Rs.41,449.45 lakhs for the year ended on March 31, 2025, as compared to Rs. 43,715.70 lakhs in the previous year.

❖ Profit:

Your Company's profit after tax for the year ended on March 31, 2025, was recorded at Rs. 481.52 lakhs as compared to a profit of Rs. 6,308.49 lakhs in the previous year.

❖ **Other Financial Highlights:**

Other income was at Rs.1,302.15 lakhs as against Rs. 882.78 lakhs in the previous year, primarily on account of interest income.

Finance Cost was at Rs. 20,796.18 lakhs as against Rs.20,645.80 lakhs in the previous year, primarily on account of the higher loan balances and other finance costs.

Stressed assets were sold to reconstruction company for total consideration of Rs. 8,000 lakhs, (Rs. 6,953 lakhs as security receipts and Rs. 1,047 lakhs as cash), resulting in net impact of Rs. 5,480 Lakhs in Profit and Loss account.

Depreciation and amortization expenses were Rs. 1378.18 lakhs as compared to Rs. 918.82 lakhs in the previous year.

Basic Earnings Per Share (EPS) for the year ended March 31, 2025, was at Rs. 1.92 as against Rs. 25.18 in the previous year. Diluted Earnings Per Share (EPS) for the year ended March 31, 2025, was at Rs.0.74 as against Rs. 8.32 in the previous year.

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

❖ **COMPANY AFFAIRS:**

Information on the affairs of the Company is provided in the Management Discussion and Analysis section of this Report, which is annexed as "Annexure - E".

❖ **OPERATIONAL PERFORMANCE FOR THE FINANCIAL YEAR 2024-25 IS SUMMARIZED IN THE FOLLOWING TABLE:**

Particulars	FY 2024-25	FY 2023-24
No. of Branches	265	246
Number of Customers	4,90,304	5,15,165
Number of Employees	3793	3562
Number of States	9	9
Amount disbursed (Rs. in lakhs)	1,19,079	1,81,156
Portfolio Outstanding (Rs. in lakhs)	1,69,907	2,23,702

❖ **CHANGES IN SHARE CAPITAL:**

❖ **Authorised Share Capital:**

During the year under review, the Company has not altered or modified its authorized share capital, which remains unchanged as of March 31, 2025:

Type of Capital	No. of Shares	Face Value (in Rs.)	Total Share Capital (in Rs.)
Equity Capital	6,31,80,000	10	63,18,00,000
Preference Capital	2,13,20,000	10	21,32,00,000
Preference Capital	3,50,00,000	20	70,00,00,000
Total			1,54,50,00,000

❖ **Issued, Subscribed, and Paid-up Share Capital:**

The paid-up and subscribed share capital of the Company as of March 31, 2025, is as follows:

Type of Capital	No. of Shares	Face Value (in Rs.)	Total Share Capital (in Rs.)
Equity	2,50,50,009	10	25,05,00,090
Compulsorily Convertible Preference Share ("CCPS")			
Class I	2,08,27,373	10	20,82,73,730
Class II	3,09,59,699	20	61,91,93,980

During the year under review, the Company has not issued shares with differential voting rights nor granted any stock options or sweat equity. As on March 31, 2025, Mr. Deepak Amin holds 42,87,511 convertible share warrants of the Company. None of the non-executive directors of the Company holds any convertible instruments of the company as on March 31, 2025.

❖ DIVIDEND AND RESERVES:

Considering the prevailing situation in the microfinance industry and in view of the Company future growth plans, the Board of Directors has decided to conserve capital. Accordingly, the Board has not recommended any dividend for the financial year 2024-25.

In accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934, the Company has transferred ₹86.20 lakhs to the statutory reserve during the financial year ended March 31, 2025.

❖ DETAILS OF NON-CONVERTIBLE DEBENTURES ISSUED:

The company has issued following the following Non-Convertible Debentures through private placement basis during the year under review:

Sl. No.	No. of NCD	No. of Allottees	Date of Board of Directors Approval	Date of Members Approval	Date of Allotment
1	4100	1	25.05.2023	22.06.2023	28.05.2024

The details of the debenture trustee for Non-Convertible debentures issued by the Company are as under

Name of Debenture trustee	Beacon Trusteeship Limited
Office Address	5W, 5TH Floor, The Metropolitan Building, E Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
CIN	L74999MH2015PLC271288
Contact Details	Email address: compliance@beacontrustee.co.in Contact person: Mr. Kaustubh Kulkarni, Director Website: https://beacontrustee.co.in/

Name of Debenture trustee	Catalyst Trusteeship Limited
Office Address	910-911,9th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi -110001
CIN	U74999PN1997PLC110262
Contact Details	Email address: ComplianceCTL-Mumbai@ctltrustee.com Contact person: Mr. Sameer Trikha, Senior Vice President Website: www.catalysttrustee.com

❖ CAPITAL ADEQUACY RATIO:

The Company continues to fulfill all the norms and standards laid down by the RBI for Micro Finance Companies pertaining to non-performing assets, capital adequacy, statutory liquidity assets etc. against the RBI norm of 15%, your Company has been able to maintain a Capital Adequacy Ratio (CAR) of 33.34% as on March 31, 2025, which is well above the RBI mandated norm of 15%.

❖ CREDIT RATING:

During the year under review, the rating agencies assigned and reaffirmed the following ratings of the Company:

Rating	Program (Category)	Outlook	Quantum (in crore)
CRISIL			
BBB+	Term Loan	Stable	425
BBB+	Non-Convertible Debentures	Stable	222
CARE			
BBB+	Long-term Bank Facilities	Negative	1150
BBB+	Non-Convertible Debentures	Negative	50

Rating details are assigned at the entity level for microfinance operations.

Facility	Rating Agency	Program (Category)	Rating
Entity Level	SMERA Ratings Limited	MFI Grading	SMERA M1

❖ **DEPOSITORY SYSTEM:**

As on March 31, 2025, a total of 1,36,30,009 equity shares (representing 54.41% of the equity share, including 100% of the Promoter holding) and 2,98,61,625 Compulsorily Convertible Preference Shares ("CCPS") (representing 57.66% of the total CCPS) were held in dematerialized form with the depositories. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical mode are advised to avail the facility of dematerialization.

❖ **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.

However, subsequent to the closure of the financial year, the Company has incorporated a Wholly Owned Subsidiary, Light Capital Private Limited, on May 09, 2025.

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

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

❖ **INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEMS:**

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

❖ **DECLARATION OF INDEPENDENT DIRECTORS:**

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

The Company has received following documents as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the RBI dated October 19, 2023 ('RBI Master Directions') and Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 issued by the RBI dated March 14, 2022 ('RBI MFL Directions'), updated from time to time and Corporate Governance Policy of the Company.

1. Declaration in the format mentioned in the Corporate Governance Policy of the Company approved vide Board meeting held on February 18, 2021.
2. Executed the deed of covenant as per Master Directions [Fit and Proper Criteria] in the format prescribed by RBI directions.
3. As per Scale Based Regulation (SBR): A Revised Regulatory Frameworks for NBFCs issued by the RBI dated October 22, 2021, and October 19, 2023, as amended from time to time, and within the permissible limits in terms of Companies Act, 2013, a declaration from the independent director that he/she shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time.

❖ **CORPORATE GOVERNANCE:**

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

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

Sl. No.	Name of Committee
1	Audit Committee
2	Nomination and Remuneration committee
3	Risk Management Committee
4	Asset Liability Management Committee
5	IT Strategy Committee
6	Corporate Social Responsibility
7	Securities Allotment Committee
8.	Internal Compliant Committee
9.	Product Committee
10	Share Transfer Committee
11.	Internal Investigation Committee
12.	Executive Management Committee
13.	Borrowing Committee

The Corporate Governance Report of the Company for Financial Year 2024-25 is attached herewith as “Annexure - A”.

The Company has displayed policy on corporate governance on its website <https://www.lightfinance.com/resources>

❖ **DETAILS OF BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL:**

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

Appointment❖ **Ms. Daksha Shah as Independent Director**

Ms. Daksha Shah (DIN:00376899), was appointed by Board of Directors of the Company vide board meeting dated August 12, 2024, as an Additional Independent Director of Company with effect from August 12, 2024. Necessary filing was made by Company on August 23, 2024.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company, at the 30th Annual General Meeting held on September 25, 2024, approved the appointment as an Independent Director for a period of five (5) consecutive years, w.e.f. August 12, 2024. Necessary filing was made by Company on September 28, 2024.

❖ **Ms. Parul Hariharan as Nominee Directors**

Ms. Parul Hariharan (DIN:09802386) was appointed as Nominee Director representing British International Investment [BII] – the existing Equity & Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on November 12, 2024. Necessary filing for the same with the Ministry of Corporate Affairs was made by the company on November 21, 2024.

❖ **Mr. Arvind Kodikal as Nominee Directors**

Mr. Arvind Kodikal (DIN: 07623915) was appointed as Nominee Director representing Pettelaar Effectenbewaarbedrijf N.V.– the existing Compulsorily Convertible Preference Shareholder of the Company vide Board Meeting held on February 11, 2025. Necessary filing for the same with the Ministry of Corporate Affairs was made by the company on March 07, 2025.

❖ **Mr. Paresh Vora as Additional Independent Director**

Mr. Paresh Vora (DIN: 01688636), was appointed by Board of Directors of the Company as an Additional Independent Director of the Company with effect from February 11, 2025, for a tenure of 5 (five) years subject to the approval of members at the ensuing General Meeting. Necessary filing for the same with the Ministry of Corporate Affairs was made by the company on March 05, 2025.

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company, at the Extra Ordinary General Meeting held on June 23, 2025, approved the appointment as an Independent Director for a period of five (5) consecutive years, w.e.f. February 11, 2025. Necessary filing was made by Company on July 07, 2025.

Resignation:

❖ Mr. Thomas Klungsoeyr as Nominee Director

Mr. Thomas Klungsoeyr (DIN: 08575466) resigned as a Nominee Director representing Abler Nordic Fund IV KS (formerly known as NMI Fund IV KS), the existing Compulsorily Convertible Preference Shareholder of the Company, vide a resignation letter dated June 27, 2024, due to his cessation of employment with Abler Nordic Fund IV KS.

❖ Mr. Chandan Sinha as Independent Director

Mr. Chandan Sinha (DIN:06921244) resigned as an Independent Director of the Company vide a resignation letter dated August 14, 2024, due to his appointment as Non-executive Chairman of RBL Bank.

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

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

❖ PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual performance evaluation of the Board, Board Committees and Individual Directors pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013.

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

❖ DIRECTOR'S RESPONSIBILITY STATEMENT:

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

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts for the FY ended on March 31, 2025, on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

❖ **CHANGE IN THE 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 the nature of the business of the Company.

❖ **QUALIFYING ASSET (QA)**

As per the Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, NBFC-MFIs are required to maintain at least 75% of their total assets as Qualifying Assets (QAs). As of March 31, 2025, the company's QA stood at 64.71%, primarily due to prevailing challenges in the microfinance sector. In view of this, the Company submitted a detailed request to the Reserve Bank of India (RBI), including necessary justifications and supporting documentation. Based on our request and considering the industry scenario, the Department of Regulation (DoR), RBI, granted an exemption from the QA requirement until September 30, 2025.

However, the Reserve Bank of India, vide circular RBI/2025-26/44 DoR.FIN.REC.25/03.10.038/2025-26 dated June 06, 2025, reviewed and reduced the Qualifying Assets criteria for NBFC-MFIs to 60 percent of total assets (net of intangible assets). As on the date of signing this report, the Company is in compliance with the revised regulatory norms.

❖ **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, 2025 made under the provisions of Section 92(3) of the Act is attached as "Annexure - B" attached herewith and which forms part of this Report and annual return uploaded on the Company's Website can be assessed at <https://www.lightfinance.com/resources>

❖ **NUMBER OF MEETINGS OF THE BOARD:**

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

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

Sl. No.	Day and Date of BM	Mr. Deepak Amin	Mr. Rakesh Kumar	Mr. Aviral Saini	Mr. Anuj Kumar	Mr. Chandan Sinha#	Ms. Daksha Shah**	Mr. Aditya Bhandari	Mr. Thomas Klungsøyr*	Ms. Parul Hariharan ##	Mr. Arvind Kodikal^	Mr. Paresh Vohra^^
1	Thursday 23.05.2024	✓	✓	✓	✓	✓	_**	Leave of Absence	✓	_##	_^	_^^
2	Monday 12.08.2024	✓	✓	✓	✓	✓	_**	✓	_*	_##	_^	_^^
3	Tuesday 12.11.2024	✓	✓	✓	✓	_#	✓	Leave of Absence	_*	_##	_^	_^^
4	Tuesday 11.02.2025	✓	✓	✓	✓	_#	✓	Leave of Absence	_*	✓	_^	_^^

* Mr. Thomas Klungsøyr has resigned as Nominee Director with effect from June 27, 2024.

** Ms. Daksha Shah was appointed as Independent Director with effect from August 12, 2024.

Mr. Chandan Sinha has resigned as Independent Director with effect from August 14, 2024.

Ms. Parul Hariharan appointed as Independent Director with effect from November 12, 2024.

^ Mr. Arvind Kodikal appointed as Nominee Director with effect from February 11, 2025.

^^ Mr. Paresh Vohra appointed as Additional Independent Director with effect from February 11, 2025.

❖ **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company has constituted a Corporate Social Responsibility (CSR) Committee comprising Mr. Deepak Amin, Mr. Rakesh Kumar, and Mr. Aviral Saini as its members. The Committee functions under their supervision and has formulated the CSR Policy, outlining the activities to be undertaken by the Company from time to time.

The Committee has been entrusted with the prime responsibility of implementation of the activities under the CSR policy and recommend the amount to be spent on such CSR activities during the year.

Your Company has undertaken the CSR activities and complied with the provisions of Section 135 of the Companies Act, 2013. The CSR activities undertaken by your Company are based on the approved CSR policy, which is available on the Company's website, and can be accessed by clicking on the following link: <https://www.lightfinance.com/resources>

CSR obligation for the financial year 2024-25 was Rs. 79.5164 lakhs (2% of the average net profit of the Company for last three financial years). The Company has spent a total amount of ₹79.52 lakhs during FY 2024-25, in accordance with the recommendations of the CSR Committee made in its meeting held on May 23, 2024, and in compliance with Rule 4 of the Companies (CSR Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

The CSR initiatives undertaken by your Company along with other CSR related details forms part of the Annual Report on CSR activities for FY 2024-25, which is annexed as "Annexure – C".

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

During the year ended March 31, 2025, 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. All contracts /arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, your Company had not entered into any contract/arrangement/transaction with related parties which could be considered as material in accordance with the provisions of Section 188 of the Companies Act, 2013 & policy on related party transactions. However, the disclosures of transactions with related parties for the financial year, as per Accounting Standard – 18, Related Party Disclosures are given in Note. No 30 (F) to the Balance Sheet as on March 31, 2025, The Related Party Transaction Policy of the Company is available on the Company's website and can be accessed at link: <https://www.lightfinance.com/resources/>

❖ **CYBER SECURITY:**

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios. Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application and the data.

During the year under review, your Company did not face any incidents or breaches or loss of data breach in cyber security.

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

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

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

Your Company is in compliance with the provisions relating to constitution of the Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the purpose of addressing complaints of sexual harassment. The designated email id for registering complaints for sexual harassment at workplace is help@lightfinance.com

The Company has filed its Annual Report for the calendar year ending December 31, 2024 as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Following is a summary of complaints received, disposed of and pending during the period under review:

- a. Number of complaints pending at the beginning of the year: 0
- b. Number of complaints received during the year: 0
- c. Number of complaints disposed off during the year: 0
- d. Number of cases pending for more than 90 days: 0
- e. Number of cases pending at the end of the year: 0

❖ MATERNITY LEAVE AND BENEFIT

Your Company is fully compliant with the provisions of the Maternity Benefit Act, 1961 and ensures that all eligible women employees receive the benefits as prescribed under the Act. These benefits include maternity leave, payment of maternity benefits, and protection from dismissal during the maternity period.

The Company recognizes the importance of supporting women during and after pregnancy and is committed to creating a conducive work environment that balances professional and personal responsibilities. In addition to statutory compliance, the Company promotes awareness about maternity benefits among employees and encourages a supportive culture for working mothers.

Further, the Company undertakes regular reviews of its policies and practices to ensure alignment with evolving legal requirements and best practices in gender inclusivity. It remains steadfast in its commitment to fostering diversity and inclusion, thereby contributing positively to the well-being of women employees and promoting equal opportunities within the workplace.

❖ AUDITORS:

Statutory Auditor:

Based on the recommendation of the Audit Committee, M/s Talati & Talati LLP, Chartered Accountants (Firm Registration No. 110758W/W100377), were appointed as the Statutory Auditors of the Company at the Board Meeting held on May 23, 2024, pursuant to Sections 139, 142, and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), read with the Companies (Audit and Auditors) Rules, 2014, and in accordance with the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs) dated April 27, 2021, to hold office from the conclusion of the 30th Annual General Meeting held on September 25, 2024, until the conclusion of the 33rd Annual General Meeting of the Company subject to the fulfillment of eligibility norms on an annual basis, as prescribed under the RBI Guidelines, at a remuneration as may be decided by the Board of Directors in consultation with the auditors, plus applicable taxes, including any statutory service tax, and reimbursement of actual travelling and out-of-pocket expenses incurred by them for the purpose of the audit..

The members of the Company, based on the recommendation of the Board of Directors, approved the appointment of M/s Talati & Talati LLP, Chartered Accountants, as the Statutory Auditors at the 30th Annual General Meeting held on September 25, 2024.

The Auditors' Report, read with notes to the accounts of the Company for the financial year ended March 31, 2025, is self-explanatory and does not call for further explanations or comments and may be treated as adequate compliance with the requirement of Section 134 of the Companies Act, 2013.

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. Keyur J. Shah & Associates, Company Secretaries, Practicing Company Secretary (M. No.: F9559/COP No.: 8814), Ahmedabad, to carry out the Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report for FY 2024-25 is annexed herewith as "Annexure – D".

The Board of Directors has duly reviewed the Secretarial Auditors' Report, and the observations and comments appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board, as provided under section 134 of the Companies Act, 2013.

Internal Auditor:

As per RBI Circular RBI/2020-21/88 Ref.No.DoS.CO.PPG./SEC.05/11.01.005/2020-21 dated February 03, 2021 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Sorab S. Engineer & Co., Chartered Accountants re-appointed as Internal Auditors of the Company for the F.Y. 2024-25 in the board meeting held on May 23, 2024. 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.

During the year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

Cost Auditor:

Maintenance of cost records and requirement of cost audit as prescribed under the provision of Section 148 of the Companies Act, 2013, are not applicable for the business activities carried out by the Company.

Information System Auditor:

The Company had appointed M/s Sumeru Software Solutions Pvt. Ltd., as Information system auditor of the Company for FY 2024-25, in accordance with the RBI Master Direction – Information Technology framework for the NBFC sector [Master Direction dnbs.ppd.no.04/66.15.001/2016-17] dated June 08, 2017, at a remuneration as decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of the audit, in the Board meeting held on February 11, 2025.

❖ **ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGES EARNING & OUTGO:****(A) ENERGY CONSERVATION:**

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

The operations of the Company are not energy-intensive; however, adequate measures have been implemented to optimize energy usage and minimize waste. During the year, the Company undertook several cost-effective initiatives, such as upgrading to energy-efficient lighting and optimizing equipment usage, to enhance overall energy efficiency.

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

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

(B) TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption: Not Applicable

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.

- (a) Details of Technology Imported;

- (b) Year of Import;

- (c) Whether the Technology has been fully absorbed;

- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

- (iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Particulars	Currency	FY 2024-25	FY 2023-24
Expenditure in Foreign Currency -	US Dollars	1,43,869.73	1,35,080
MIS Infrastructure Expenses and other expenses	Euro	396	495
	Indian Rupees (In lakh)	121.91	120.27
Expenditure in Foreign Currency - Processing Fees	US Dollars	49,075	99,629
and other finance charges	Euro	30,000	-
	Indian Rupees (In lakh)	67.40	90.30
Expenditure in Foreign Currency –	US Dollars	12,76,950.96	6,41,382
Finance Cost (Interest)	Euro	99,904.11	-
	Indian Rupees (In lakh)	1,167.65	533.10
Earning in Foreign Currency		-	

❖ **RISK MANAGEMENT POLICY & FRAMEWORK:**

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

During the period under review, the Risk Management Committee was reconstituted twice on June 27, 2024, and August 14, 2024, respectively. As on March 31, 2025, the composition of the Committee is as follows:

Sl. No.	Name	Designation in Committee
1	Mr. Anuj Kumar	Member
2	Mr. Deepak Amin	Member
3	Mr. Rakesh Kumar	Member
4	Mr. Aviral Saini	Member

❖ **NOMINATION AND REMUNERATION POLICY:**

The Company has, in order to attract, motivate and retain manpower in competitive market and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of Section 178 of the Companies Act, 2013, devised a policy for Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management. Key points of the Policy are:

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

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

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

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

During the period under review, the Nomination and Remuneration Committee was reconstituted thrice - on June 27, 2024, August 12, 2024, and August 14, 2024, respectively. As of March 31, 2025, the composition of the Committee is as follows:

Sl. No.	Name	Designation in Committee
1	Mr. Anuj Kumar	Member
2	Ms. Daksha Shah	Member
3	Mr. Aditya Bhindari	Member

The Company has displayed the Nomination and Remuneration Policy on website of the company at <https://www.lightfinance.com/resources>

❖ **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

❖ **DEPOSITS:**

The Reserve Bank of India in exercise of its powers under The Reserve Bank of India, 1994 and rules & regulations made thereunder, has granted NBFC-MFI (Registration no. B-14.03244) status to the Company. During FY 2024-25, the Company has not accepted any public deposits and the Board of Directors has passed the resolution that the Company will not accept or hold any public deposits in FY 2024-25.

During the year under review, 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 2025.

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

The Company is registered with RBI as a NBFC-MFI via Registration No. B-14.03244. The Company continues to comply with the requirements prescribed by the RBI as applicable to it. RBI via notification RBI/2021-22/112DOR. CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, & RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, on Framework for Scale Based Regulation for Non-Banking Financial Companies, bifurcated the Regulatory structure of NBFCs in four layers i.e. NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL) based on their size, activity, and perceived riskiness. Your Company being an NBFC-Middle Layer (NBFC-ML), endeavors to ensure compliance with this notification.

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

❖ **FRAUD REPORTING:**

During the period under review, the Statutory Auditor and the Secretarial Auditor have not reported any instance of material fraud committed by the officers or employees of the Company as required under Section 143(12) of the Companies Act, 2013. Details of a fraud identified during the year have been disclosed in Note No. 30 (UU) of the financial statements.

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

There are no material changes and/or commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of signing of this report except for the incorporation of a Wholly Owned Subsidiary, Light Capital Private Limited, on May 9, 2025, as mentioned above.

❖ **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 the Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases.

Following is a summary of complaints received, disposed off and pending during the period under review:

No. of complaints received - 0
 No. of complaints disposed off – 0
 No. of complaints pending – 0

The Whistle Blower Policy of the Company is available on the website of the Company at <https://www.lightfinance.com/resources>

❖ **SECRETARIAL STANDARDS:**

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

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

Your Company treats its “Human Resource” 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.

The disclosure requirements under Sub-rule (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company; hence, no related disclosures are made.

❖ **EMPLOYEE STOCK OPTIONS PLAN [ESOP]**

Your Company believes that its success and ability to achieve its objectives are largely determined by the quality of its workforce and recognizes that, in addition to providing good employment opportunities, effective motivating mechanisms are also essential to incentivize employees and align their interest with the interests of the Company. In recognition of the said objective, the Company adopted and implemented the Employee Stock Option Plan 2018 (“ESOP 2018”) to attract, retain, motivate, and incentivize employees of the Company

The ESOP Plans of the Company are implemented and administered by the Nomination & Remuneration Committee.

During the year, there was no change in the ESOP 2018. The ESOP disclosure pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, and the provisions under section 62 of the Companies Act 2013 along with the rules framed there under, are enclosed as “Annexure - F”.

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

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

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

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

❖ **ACKNOWLEDGEMENTS:**

Your directors would like to express their sincere appreciation for 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.

On behalf of the Board
 For **Light Microfinance Private Limited**

Deepak Amin
 Managing Director

DIN- 01289453

Rakesh Kumar
 Chief Executive Officer &
 Executive Director
 DIN-03430670

Aviral Saini
 Chief Financial Officer &
 Executive Director
 DIN-03534719

Date: August 11, 2025
 Place : Ahmedabad

Corporate Government Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance at Light Microfinance Private Limited ("Company") is always committed towards achieving the highest standards of Corporate Governance by staying true to its core values: viz. integrity, empathy, courage, passion for excellence & innovation in all its actions, operations and engagement with the stakeholders and society at large. These values form a base of the Corporate Governance practices of the Company. Our corporate governance is a reflection of our value system, policies and also embedded in our day-to-day business practices, our culture leads to value-driven growth. Company has been constantly reviewing and revising the policies as per business needs and changes in laws/ regulations from time to time.

Transparency, fairness, integrity, effective internal controls at each level of operation in each business transactions, adequate and prompt disclosure to respective stakeholders are the key ingredients to the corporate governance.

Over the years, the Company has strengthened its corporate practices and disclosures. The Company also ensured good corporate governance and risk management practices. At the Company's level, we consider stakeholders as partners in our success and remain committed to maximizing stakeholders' value, be it Customers, Employees, Investors & Shareholders etc. As a good corporate citizen, the Company is committed to adhere to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of our various stakeholders in it thereby paving the way for our long-term success. The Company primarily focuses on empowering underserved women in rural and peri-urban India through accessible income-generating loans, financial inclusion, and sustainable economic growth via the Joint Liability Group model. The Company continues to maintain healthy relationship with its valued customers, viz. depositors, loan customers, business partners and its various other stakeholder financiers. Company ensured to transparently disclose information to all the stakeholders through its public documents, annual reports, financial results etc.

The Company is in compliance with the applicable provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, and the Master Direction on Information Technology, Governance, Risk, Controls, and Assurance Practices ("RBI Directions), as amended from time to time and applicable to the Company. It also adheres to the relevant provisions of the Scale Based Regulatory (SBR): Revised regulatory framework for NBFCs and complies with the applicable requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Company is committed to learning and adopting the best practices of Corporate Governance and imbibing the same in our day-to-day functioning.

BOARD OF DIRECTORS

The Board members have professional knowledge and experience in diverse fields, viz. finance, audit, banking, public policy, and legal/judicial, thereby bringing about an enabling environment for value creation through sustainable business growth. We believe that a dynamic, well-informed, and independent Board is essential to ensure the highest standards of corporate governance. Board plays the most pivotal role in overseeing the management in serving and protecting the long-term interest of all its stakeholders. The Company believes in a well-balanced and diverse Board which enriches discussions and enables effective decision making.

The Board of Directors of the Company are eminent personalities from various fields, who bring on the table a wide range of experience and expertise to the Board. The skill sets and varied perspectives help in making constructive decisions thereby facilitating an effective decision-making environment.

The profile of the Directors of the Company can be accessed on our website at <https://www.lightfinance.com/our-team/>

COMPOSITION OF THE BOARD

As on March 31, 2025, the Company's Board consists of 9 (Nine) Directors, which includes 3 (Three) Executive Directors and 3 (Three) Non-Executive Directors including 3 (Three) Independent Directors. The Board has Thirteen Committees – Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Securities Allotment Committee, Internal Complaints Committee, Product Committee, Shares Transfer Committee, Internal Investigation Committee, Executive Management Committee, and Borrowing Committee.

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review, are given herein below.

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships ^{\$}	Remuneration (in Lakhs)			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission Details	
1.	Mr. Deepak Amin	23-01-2009	Managing Director & Promoter	01289453	4	4	3	253	-	-	Equity Shares - 1,28,99,999 & Share Warrants - 42,87,511
2.	Mr. Rakesh Kumar	01-02-2011	CEO & Executive Director	03430670	4	4	-	215.03	-	-	-
3.	Mr. Aviral Saini	01-06-2011	CFO & Executive Director	03534719	4	4	-	186.33	-	-	-
4.	Mr. Anuj Kumar	03-12-2015	Independent Director	01198699	4	4	2	-	12.50	-	-
5.	Ms. Daksha Shah*	12-08-2024	Independent Director	00376899	2	2	2	-	4.0	-	-
6.	Mr. Chandan Sinha**	20-05-2021	Independent Director	06921244	2	2	1	-	6.0	-	-
7.	Mr. Aditya Bhandari	02-09-2022	Nominee Director	03062463	4	1	-	-	-	-	-
8.	Mr. Thomas Klungsoeyr [^]	02-09-2022	Nominee Director	08575466	1	1	-	-	-	-	-
9.	Ms. Parul Hariharan ^{^^}	12-11-2024	Nominee Director	09802386	1	1	-	-	-	-	-
10	Mr. Arvind Kodikal [#]	11-02-2025	Nominee Director	07623915	-	-	2	-	-	-	-
11	Mr. Paresh Vohra [‡]	11-02-2025	Additional Independent Director	01688636	-	-	3	-	-	-	-

*Appointed w.e.f. August 12, 2024

**Resigned w.e.f. August 14, 2024

[^] Resigned w.e.f. June 27, 2024

^{^^}Appointed w.e.f. November 12, 2024

[#]Appointed w.e.f. February 11, 2025

^{\$} No. of other Directorships include Private, Public, and Section 8 Companies.

^{\$} None of the directors hold directorships in more than 10 public companies and shall hold office as a director, including any alternate directorship, in more than 20 companies at the same time.

Details of change in the Composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/Non-Executive/ Chairman/ Promoter nominee/Independent)	Nature of change (Resignation, Appointment, Change in Designation)	Effective date
1.	Mr. Thomas Klungsøyr	Nominee Director	Resignation	27.06.2024
2.	Ms. Daksha Shah	Additional Independent Director	Appointment	12.08.2024
3.	Mr. Chandan Sinha	Independent Director	Resignation	14.08.2024
4.	Ms. Daksha Shah	Independent Director	Change in Designation	25.09.2024
5.	Ms. Parul Hariharan	Nominee Director	Appointment	12.11.2024
6.	Mr. Arvind Kodikal	Nominee Director	Appointment	11.02.2025
7.	Mr. Paresh Vohra	Independent Director	Appointment	11.02.2025
8.	Mr. Parveen Kumar Gupta	Independent Director	Resignation	07.06.2023
9.	Mr. Thomas Klungsoeyr	Nominee Director	Change in Designation	22.06.2023
10.	Mr. Aditya Bhandari	Nominee Director	Change in Designation	22.06.2023
11.	Mr. Hemant Contractor	Additional Independent Director	Appointment	01.09.2023
12.	Mr. Hemant Contractor	Additional Independent Director	Resignation	03.01.2024

REASONS FOR RESIGNATION

During the year under review, Mr. Chandan Sinha, Independent Director, ceased to be a Director of the Company with effect from June 27, 2024, pursuant to his appointment as the Non-Executive Chairman of RBL Bank. Additionally, Mr. Thomas Klungsoeyr, Nominee Director, ceased to be a Director of the Company with effect from August 14, 2024, following the cessation of his employment with Abler Nordic Fund IV KS (formerly known as NMI Fund IV KS), existing CCPS holder of the Company. Both Mr. Chandan Sinha and Mr. Thomas Klungsoeyr have confirmed that there were no material reasons for their resignation other than those stated above

PECUNIARY OR OTHER RELATIONSHIP

There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, apart from the sitting fees, if any, received by them for attending the Meetings of the Board and Committee(s) thereof.

BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. Members of the Board are free to convene a Board meeting at any time and shall inform the Company Secretary regarding the same. In case of a special and urgent business need, Board approval is taken by passing a resolution(s) by circulation as permitted by law, which is noted and confirmed at the subsequent board meeting. The members of the board are expected to attend all the board meetings unless there are any unavoidable circumstances.

Post the board meetings, the Company has a system of communication and follow-up on actions taken by the management as suggested by the Board/Committee(s), and the same is updated to the Board/Committee(s) at its subsequent meetings or earlier, if necessary.

During the Financial Year 2024-25, your Board met 4 (Four) times i.e. on May 23, 2024, August 12, 2024, November 12, 2024, and February 11, 2025. The gap between two consecutive meetings was less than one hundred and twenty days as required under section 173 of the Act.

BOARD AGENDA

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

COMMITTEES OF THE BOARD AND THEIR COMPOSITION

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013 and also in consonance with the RBI Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 [RBI/2014-15/632 DNBR (PD) CC No.040/03.01.001/2014-15] dated June 03, 2015, the following committees were in operation as on March 31, 2025:

Sl. No.	Name of Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Risk Management Committee
4	Asset & Liability Management Committee
5	IT Strategy Committee
6	Corporate Social Responsibility Committee
7	Securities Allotment Committee
8	Internal Complaint Committee
9	Product Committee
10	Shares Transfer Committee
11	Internal Investigation Committee
12	Executive Management Committee
13	Borrowing Committee

1. AUDIT COMMITTEE

During the year under review, Members of the Audit Committee (AC) of the Company met 04 (Four) times i.e. on May 23, 2024, August 12, 2024, November 12, 2024, and February 11, 2025. The names of the members of the Committee, and their attendance at the Audit Committee Meeting are as under:

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Anuj Kumar	30.08.2016	Independent Director	4	4	-
2.	Mr. Chandan Sinha*	18.11.2021	Independent Director	2	2	-
3.	Ms. Daksha Shah**	12.08.2024	Independent Director	2	2	-
4.	Mr. Aditya Bhandari	10.02.2023	Nominee Director	4	1	-

*Ceased to be member w.e.f. August 14, 2024.

**Appointed as member w.e.f. August 12, 2024.

Terms of Reference of the Audit Committee includes

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- review and monitor the auditor's independence and performance, and effectiveness of audit process.
- examination of the financial statement and the auditors' report thereon.
- reviewing with the management, the quarterly/half yearly/annually financial results / statements before the submission to the board for approval.
- review of changes, if any, in accounting policies and practices and reasons for the same.
- approval or any subsequent modification of transactions of the company with related parties.
- scrutiny of inter-corporate loans and investments.
- valuation of undertakings or assets of the company, wherever it is necessary.
- evaluation of internal financial controls and risk management systems.
- monitoring the end use of funds raised through public offers and related matters.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- m) Discussion with internal auditors of any significant findings and follow up there on.
- n) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern.
- o) To review the functioning of the whistle blower mechanism.
- p) Ensuring that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.
- q) To overview the compliance laid by the regulators.
- r) Any other responsibility as may be assigned by the board from time to time or as is mentioned in the terms of reference of the audit committee.

2. NOMINATION AND REMUNERATION COMMITTEE

During the year under review, Members of the Nomination and Remuneration Committee (NRC) of the Company met 04 (Four) times, i.e. on May 23, 2024, August 12, 2024, November 12, 2024, and February 11, 2025. The names of the members of the Committee, and their attendance at the Nomination and Remuneration Committee Meetings are as under

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Anuj Kumar	25.05.2016	Independent Director	4	4	-
2.	Mr. Chandan Sinha*	11.02.2022	Independent Director	2	2	-
3.	Mr. Thomas Klungsøyr**	10.02.2023	Nominee Director	1	1	-
4.	Mr. Aditya Bhandari^	12.08.2024	Nominee Director	2	-	-
5.	Ms. Daksha Shah^	12.08.2024	Independent Director	2	2	-

* Ceased to be member w.e.f. August 14, 2024.

** Ceased to be member w.e.f. June 27, 2024.

^ Appointed as member w.e.f. August 12, 2024.

Terms of Reference of the Nomination and Remuneration Committee includes

- a) To formulate a criteria for determining qualifications, positive attributes, and independence of a Director.
- b) To ensure 'fit and proper' status of proposed/ existing Directors.
- c) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal. Review the adequacy of Board diversity.
- d) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- e) To recommend to the Board the appointment and removal of Senior Management.
- f) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- g) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- h) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- j) To act as the ESOP Committee and administer and manage the ESOP scheme.
- k) Any other responsibility as may be assigned by the board from time to time or as is mentioned in the terms of reference of the Nomination and Remuneration committee.

3. RISK MANAGEMENT COMMITTEE

During the year under review, Members of the Risk Management Committee (RMC) of the Company met 04 (Four) times, i.e. on May 23, 2024, August 12, 2024, November 12, 2024, and February 11, 2025. The names of the members of the Committee, and their attendance at the Risk Management Committee Meetings are as under:

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Chandan Sinha*	24.05.2022	Independent Director	2	2	-
2.	Mr. Deepak Amin	06.12.2019	Executive Director	4	4	1,28,99,999
3.	Mr. Rakesh Kumar	06.12.2019	Executive Director	4	4	-
4.	Mr. Aviral Saini	06.12.2019	Executive Director	4	4	-
5.	Mr. Thomas Klungsøyr**	25.08.2022	Nominee Director	1	1	-

* Ceased to be member w.e.f. August 14, 2024.

** Ceased to be member w.e.f. June 27, 2024.

Terms of Reference of the Risk Management Committee includes

- To monitor and review the risk management plan.
- To review operational risk (including sub risk for operational risk), information technology risk and integrity risk.
- To take strategic actions to mitigate the risk associated with the nature of the business.
- To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy.
- To do such other acts, deeds, and things as may be directed by the Board and required to comply with the applicable laws; and
- To lay down procedure to inform Board members about the risk assessment and minimization procedure

4. ASSET LIABILITY MANAGEMENT COMMITTEE

During the year under review, Members of the Asset Liability Management Committee of the Company met 04 (Four) times, i.e. on April 10, 2024, June 29, 2024, October 10, 2024 and January 10, 2025. The names of the members of the Committee, and their attendance at the Asset Liability Management Committee Meetings are as under

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Deepak Amin	18.02.2021	Executive Director	4	4	1,28,99,999
2.	Mr. Rakesh Kumar	18.02.2021	Executive Director	4	4	-
3.	Mr. Aviral Saini	18.02.2021	Executive Director	4	4	-

Terms of Reference of the Asset Liability Management Committee includes

- Addressing concerns regarding asset liability mismatches.
- Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity.
- Addressing concerns regarding interest rate risk exposure; and
- To do such other acts, deeds, and things as may be directed by the Board and required to comply with the applicable laws.

5. IT STRATEGY COMMITTEE

During the year under review, Members of the IT Strategy Committee of the Company met 04 (Four) times, i.e. on May 23, 2024, August 12, 2024, November 12, 2024, and February 11, 2025. The names of the members of the Committee, and their attendance at the IT Strategy Committee Meetings are as under

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Anuj Kumar	18.02.2021	Independent Director	4	4	-
2.	Mr. Deepak Amin	18.02.2021	Executive Director	4	4	1,28,99,999
3.	Mr. Rakesh Kumar	18.02.2021	Executive Director	4	4	-
4.	Mr. Aviral Saini	18.02.2021	Executive Director	4	4	-
5.	Mr. Satish Dhupdale	18.02.2021	-	4	4	-
6.	Mr. Aditya Bhandari	10.02.2023	Nominee Director	4	-	-

Pursuant to the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023, dated November 07, 2023 (applicable from April 01, 2024), the Company has also constituted an Information Security Committee and an IT Steering Committee.

Terms of Reference of the IT Strategy Committee includes

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware of exposure to IT risks and controls.
- To do such acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year under review, Members of the Corporate Social Responsibility Committee of the Company met 01 (One) time, i.e. on May 25, 2024. The names of the members of the Committee, and their attendance at the CSR Committee Meetings are as under

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Deepak Amin	11.11.2020	Executive Director	1	1	1,28,99,999
2.	Mr. Rakesh Kumar	11.11.2020	Executive Director	1	1	-
3.	Mr. Aviral Saini	11.11.2020	Executive Director	1	1	-

Terms of Reference of the Corporate Social Responsibility Committee includes

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and;
- To monitor the Corporate Social Responsibility Policy of the company from time to time;
- Any other matter as the CSR Committee may be directed by the Board from time to time.

7. SECURITIES ALLOTMENT COMMITTEE

During the year under review, Members of the Securities Allotment Committee (SAC) of the Company met 01 (One) times, i.e. on May 28, 2024. The names of the members of the Committee, and their attendance at the Securities Allotment Committee Meetings are as under:

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Deepak Amin	03.04.2019	Executive Director	1	1	1,28,99,999
2.	Mr. Rakesh Kumar	29.12.2017	Executive Director	1	1	-
3.	Mr. Aviral Saini	29.12.2017	Executive Director	1	1	-

Terms of Reference of the Securities Allotment Committee

The Securities Allotment Committee deals with the matters relating to the allotment of Share(s)/Debenture(s), and all other matters as prescribed and delegated to the Committee by the Board from time to time.

8. INTERNAL COMPLAINTS COMMITTEE (ICC)

During the year under review, Members of the Internal Complaints Committee (ICC) of the Company met 04 (Four) times, i.e. on April 17, 2024, July 16, 2024, October 16, 2024, and January 17, 2025. The names of the members of the Committee, and their attendance at the Internal Complaints Committee Meetings are as under:

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Ms. Jyotika Sood*	10.02.2023	-	1	1	-
2.	Dr. Damini Shah	10.02.2023	-	4	4	-
3.	Mr. Jayanta Chatterjee	10.02.2023	-	4	3	-
4.	Ms. Nidhi Shah	10.02.2023	-	4	4	-
5.	Varsha Wardhani	24.01.2024	-	4	4	-
6.	Ms. Anjali Shah^	03.06.2024	-	3	3	-

* Ceased to be member w.e.f. May 10, 2024.

^Appointed as member w.e.f. June 3, 2024.

Terms of Reference of the Internal Complaints Committee includes

- Receive, investigate, and address complaints of sexual harassment in the workplace. This includes providing a safe platform for victims to report incidents without fear of retaliation.
- Upon receiving a complaint, the committee conducts a fair and impartial investigation to gather evidence and determine the validity of the complaint. This often involves interviewing the complainant, the accused, and any witnesses.
- Raises awareness about sexual harassment and educate employees about their rights and responsibilities. They may conduct training sessions to help employees recognize and prevent harassment in the workplace.
- Ensure that the organization's prevention of sexual harassment policy is effectively implemented and followed. They may review and update policies as needed to reflect changes in laws or best practices.
- Any other matter as the ICC may be directed by the Board from time to time.

9. PRODUCT COMMITTEE

During the year under review, Members of the Product Committee of the Company met 07 (Seven) times i.e. on July 1, 2024, August 20, 2024, September 27, 2024, October 23, 2024, November 7, 2024, January 20, 2025 and February 5, 2025. The names of the members of the Committee, and their attendance at the Product Committee Meetings are as under:

Sl. No.	Name of Director	Member of Committee Since	Capacity (i.e., Executive / Non-Executive/ Chairman/ Promoter/ Nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Aviral Saini	23.05.2024	Executive Director	7	7	-
2.	Mr. Balgovind Sahu*	23.05.2024	-	5	5	-
3.	Ms. Madhavi Gajjar	23.05.2024	-	7	7	-

*Ceased to be member w.e.f. December 4, 2024.

Terms of Reference of the Product Committee

The primary role of the Product Committee is to prepare and support the decisions to be made by the Board of Directors as a whole on product management and to study and prepare strategic plans including monitoring and guiding for product diversification to improve the performance of the Company and ensuring long term value creation. The committee evaluates the performance of each loan product and also reviews the proposal for new loan products.

10. SHARES TRANSFER COMMITTEE

During the year under review, no share transfers were registered; therefore, no meeting was held.

11. INTERNAL INVESTIGATION COMMITTEE

During the year under review, Members of the Internal Investigation Committee (IIC) of the Company met 23 (Twenty-Three) times.

12. EXECUTIVE MANAGEMENT COMMITTEE

During the year under review, Members of the Executive Management Committee met 20 (Twenty) times.

13. BORROWING COMMITTEE

During the year under review, Members of the Borrowing Committee met 26 (Twenty-Six) times.

GENERAL BODY MEETINGS

Details of the location, day, date, and time of the General Meetings held during the year and Resolutions passed thereat are given below:

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Day, Date, Time and Place	Special Resolutions passed
1.	Annual General Meeting	Wednesday, September 25, 2024, at 11:30 AM & through Video Conferencing ("VC")/ Other Audio-Visual Means("OAVM")	No Special Resolutions were passed in this AGM.
2.	Extra-Ordinary General Meeting	Wednesday, June 19, 2024, at 11:05 AM through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	To consider and approve issuance of non-convertible debentures (NCD) through private placement one year from the date of members approval.

DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF THE COMPANIES ACT, 2013

During the year under review, there has been no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

DETAILS OF PENALTIES AND STRICTURES

During the year under review, no penalties or stricture has been imposed on the Company by the Reserve Bank of India or any other statutory authority.

BREACH OF COVENANT

Details are provided in the Financial Statements - refer note no. 30(VV).

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

During the year under review, no divergence was assessed by the Reserve Bank of India.

RELATED PARTY TRANSACTIONS

During the financial year under review, all the related party transactions entered into by your company were on an arm's length basis and were in the ordinary course of business and were not considered as material pursuant to the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its powers) Rules, 2014. Hence, disclosure in Form AOC- 2 under section 134(3)(h) of the Act, read with rule 8 of Companies (Accounts of Companies) Rules, 2014 is not required.. The policy on dealing with Related Party Transactions is on the Company' website at <https://www.lightfinance.com/resources/>

There were no materially significant related party transactions made by your Company with its promoters, directors, key managerial personnel or other designated persons, which might have any conflict with the interest of the Company. Disclosures of transactions with related party for the financial year, as per Accounting Standard – 18 Related Party Disclosures are provided in Note. No 30 (F) to the Balance Sheet as on March 31, 2025.

DEBENTURES

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

ISIN Number	Numbers of NCD	Face Value	Holder Name	Listed at
INE366T07154	4100	Rs. 1,00,000/-	SJEAIMFIIACTING AS LEGALOWNER OF CARDANO IMPACT FINANCIAL INCLUSION FUND I	BSE Limited

The details of debenture trustee for the above mentioned Non-Convertible debentures issued by the Company during FY 2024-25 is as under:

Name of Debenture trustee	Catalyst Trusteeship Limited
Registered office	910-911, 9th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi –110001
CIN	L74999MH2015PLC271288

FINANCIAL CALENDAR

For the financial year ended March 31, 2025, the financial results of the Company were announced on:

Sl. No.	Quarter	Date of Announcement
1.	First quarter ended June 30, 2024	August 12, 2024
2.	Second quarter ended September 30, 2024	November 12, 2024
3.	Third quarter ended December 31, 2024	February 11, 2025
4.	Fourth quarter ended March 31, 2025	May 27, 2025

MEANS OF COMMUNICATION**(a) Results:**

The Company's website, viz., Resource- Light Microfinance Private Limited under the section of 'Investor Portal', contains all important information including financial results, various policies framed/ approved by the Board.

(b) Newspapers wherein results are normally published:

The quarterly, half-yearly, and annual financial results were published in English and Vernacular newspapers, having nationwide circulation.

(c) Website, where displayed:

The financial results and the official news releases are also placed on the Company's website www.lightfinance.com in the 'Investors Portal' section on the following link - <https://www.lightfinance.com/resources/>

(d) Annual Report

The Annual Report containing, inter-alia, the audited financial statements, Board's Report, Auditors' Report, Management Discussion and Analysis (MDA) report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at www.lightfinance.com in the 'Investor Portal' section.

(e) Official news releases

All financial releases and documents under the SEBI (LODR), 2015 are also communicated to the concerned stock exchange, besides being placed on the Company's website.

ONLINE DISPUTE RESOLUTION (ODR) MECHANISM

In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 28 December 2023, introduced a common Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the

same through the SCORES Portal in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at <https://smartodr.in/login>.

INVESTORS COMPLAINTS

Details of Complaints received from the Debenture holder and redressed during FY 2024-25 are, as follows:

Sl. No.	Opening at the beginning of the Financial Year	Received during the Financial Year	Resolved during the Financial Year	Closing at the end of the Financial Year
NIL	NIL	NIL	NIL	NIL

NAME, DESIGNATION, AND ADDRESS OF THE COMPLIANCE OFFICER UNDER SEBI (LODR) REGULATIONS, 2015

Ms. Madhavi Gajjar, Company Secretary & Compliance Officer
1501, 15th Floor, Sankalp Square 3B, Sindhu Bhavan Road,
B/s Hotel Taj Skyline, Shilaj, Ahmedabad – 380058
Telephone No. +91-79-40050059
E-mail: compliance@lightfinance.com

TRANSFER/TRANSMISSION OF SHARES

The Securities and Exchange Board of India (SEBI), vide its Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated January 07, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders and
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

NOMINATION FACILITY

Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective Depository Participants (Dps).

UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/ EMAIL ID

Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details/address/email ID directly with their respective Depository Participants (Dps).

QUOTE DP ID NO.

Shareholders/Beneficial Owners are requested to quote their DP ID nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their Email IDs, Contact/Fax numbers (landline/cellphone) for prompt reply to their correspondence.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (A) TO (K) OF REGULATION 62(1) OF SEBI LISTING REGULATIONS

As on March 31, 2025, the Company is not a High Value Debt Listed Entity. So, the requirements specified in Regulations 17 to 27 and other requirements as applicable on the High Value Debt Listed Entity are not applicable to the Company.

Further, Company is in compliances with the clauses (a) to (k) of Regulation 62(1) of SEBI Listing Regulations.

REGISTRAR AND TRANSFER AGENT

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

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2025

ANNEXURE B

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN: -	U67120DL1994PTC216764
ii	Registration Date	20/09/1994
iii	Name of the Company	LIGHT MICROFINANCE PRIVATE LIMITED
iv	Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v	Address of the Registered office and contact details	308 Aggarwal Tower, Plot No.2 Sector – 5, Dwarka New Delhi, Delhi, 110075 Contact No.: 079-40050059. Email : info@lightfinance.com
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	MUFG Intime India Private Limited (Formerly Known as "Link Intime India Private Limited") C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Toll-free number: 1800 1020 878 (from 10:00 AM to 4:00 PM) Tel: +91 22 4918 6000, Website: www.in.mpms.mufig.com

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:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares Held	Applicable Section
---------	---------------------------------	---------	-------------------------------	------------------	--------------------

NIL

IV. SHARE HOLDING PATTERN (Equity and Preference Share Capital Breakup as percentage of Total Equity and Preference share capital of the Company)**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoters**(1) Indian**

a) Individual/ HUF	1,28,99,999	-	1,28,99,999	16.79%	1,28,99,999	-	1,28,99,999	16.79%	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1,28,99,999	-	1,28,99,999	16.79%	1,28,99,999	-	1,28,99,999	16.79%	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter	1,28,99,999	-	1,28,99,999	16.79	1,28,99,999	-	1,28,99,999	16.79	-
(A) =(A)(1)+(A)(2)									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	2,98,61,635	2,74,57,382	5,73,19,017	74.60%	2,98,61,635	2,74,57,382	5,73,19,017	74.60%	
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	7,30,000	58,88,065	66,18,065	8.61%	7,30,000	58,88,065	66,18,065	8.61%	-
c) Others (specify)									
Sub-total (B)(2):-	3,05,91,635	3,33,45,447	6,39,37,082	83.21%	3,05,91,635	3,33,45,447	6,39,37,082	83.21%	
Total Public Shareholding(B)= (B)(1)+(B)(2)	3,05,91,635	3,33,45,447	6,39,37,082	83.21%	3,05,91,635	3,33,45,447	6,39,37,082	83.21%	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	4,34,91,634	3,33,45,447	7,68,37,081	100%	4,34,91,634	3,33,45,447	7,68,37,081	100%	-

(ii) Shareholding of Promoters:

Name	Shareholding as at April 01, 2024		Date wise Increase/ Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2025	
	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	16.79%	-	-	-	1,28,99,999	16.79%	1,28,99,999	16.79%

(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, 2024		Date wise Increase/ Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2025	
	No. of Shares	% of shares	Date	No. of Shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
Abler Nordic Fund IV KS (Formerly Known as NMI Fund IV KS)	1,82,32,626	23.74%	-	-	-	1,82,32,626	23.74%	1,82,32,626	23.74%
Pettelaar Effectenbewaarbedrijf N.V	1,31,11,620	17.06%	-	-	-	1,31,11,620	17.06%	1,31,11,620	17.06%
British International Investment PLC	1,16,29,009	15.13%	-	-	-	1,16,29,009	15.13%	1,16,29,009	15.13%
agRIF Cooperatief U.A.	88,13,827	11.48%	-	-	-	88,13,827	11.48%	88,13,827	11.48%
Kaushik Amin	58,88,065	7.66%	-	-	-	58,88,065	7.66%	58,88,065	7.66%
VARK NAL Holdings Inc.	5,531,935	7.20 %	-	-	-	5,531,935	7.20 %	5,531,935	7.20 %
Geeta Amin	7,30,000	0.95 %	-	-	-	7,30,000	0.95 %	7,30,000	0.95 %

(iv) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding as at April 01, 2024		Date wise Increase/ Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding as at March 31, 2025	
	No. of Shares	% of shares	Date	No. of Shares	Reason	No. of Shares	% of shares	No. of Shares	% of shares
Mr. Deepak Amin	1,28,99,999	16.79%	-	-	-	1,28,99,999	16.79%	1,28,99,999	16.79%
Mr. Rakesh Kumar	-	-	-	-	-	-	-	-	-
Mr. Aviral Saini	-	-	-	-	-	-	-	-	-
Mr. Anuj Kumar	-	-	-	-	-	-	-	-	-
Ms. Daksha Shah*	-	-	-	-	-	-	-	-	-
Mr. Chandan Sinha**	-	-	-	-	-	-	-	-	-
Mr. Aditya Bhandari	-	-	-	-	-	-	-	-	-
Mr. Thomas Klungsoeyr^	-	-	-	-	-	-	-	-	-
Ms. Parul Hariharan^^	-	-	-	-	-	-	-	-	-
Mr. Arvind Kodikal#	-	-	-	-	-	-	-	-	-
Mr. Pares Vohra##	-	-	-	-	-	-	-	-	-

* Ms. Daksha Shah appointed as an Additional Independent Director w.e.f. August 12, 2024, and as an Independent Director at the Annual General Meeting w.e.f. September 25, 2024.

** Mr. Chandan Sinha resigned as an Independent Director of the Company vide his resignation letter dated August 14, 2024, with immediate effect.

^ Mr. Thomas Klungsoeyr resigned as a Nominee Director of the Company vide his resignation letter dated June 27, 2024, with immediate effect.

^^ Ms. Parul Hariharan appointed as a Nominee Director w.e.f. November 12, 2025.

Mr. Arvind Kodikal appointed as a Nominee Director w.e.f. February 11, 2025.

Mr. Pares Vohra appointed as Additional Independent Director w.e.f. February 11, 2025.

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹ Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	161,385.78	10,803.92	-	172,189.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,252.70	12.35	-	1,265.05
iv) Short term borrowing	-	-	-	-
Total (i+ii+iii)	162,638.48	10,816.27	-	173,454.75

Change in Indebtedness during the financial year

• Addition	68,276.90	-	-	68,276.90
• Reduction	(111,072.38)	40.82	-	(111,031.56)
• Reduction in short-term borrowing	-	-	-	-
• Interest accrued but not due	(326.16)	(0.86)	-	(327.02)
Net Change	(43,121.64)	39.96	-	(43,081.68)

Indebtedness at the end of the financial year

i) Principal Amount	118,590.30	10,844.74	-	129,435.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	926.54	11.49	-	938.03
iv) Short term borrowing	-	-	-	-
Total (i+ii+iii)	119,516.84	10,856.23	-	130,373.07

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

(Amount in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Deepak Amin (Managing Director)	Mr. Rakesh Kumar (CEO & Executive Director)	Mr. Aviral Saini (CFO & Executive Director)	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	233	194.21	168.85	596.06
	(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	-	-	-	-
2.	Stock Option (in number)	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others – Incentive	20	20.82	17.48	58.30
	Total (A)	253	215.03	186.33	654.36
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other directors:

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				
I.	Independent Directors	Mr. Chandan Sinha	Mr. Anuj Kumar	Mr. Daksha Shah	Mr. Paresh Vora	Total Amount
	Fee for attending board / committee meetings	6	12.5	4	-	22.5
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	6	12.5	4	-	22.5
II.	Other Non-Executive Directors	Mr. Thomas Klungsøyr	Mr. Aditya Bhandari	Ms. Parul Hariharan	Mr. Arvind Kodikal	Total Amount
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total Remuneration (B) = (1+2)	6	12.5	4	-	22.5
	Overall Ceiling as per the Act	-	-	-	-	-

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

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration		Total Amount
	Name of Key Managerial Personnel	Ms. Madhavi Gajjar (Chief Compliance Officer & Company Secretary)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	17	17
	(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	-	-
2.	Stock Option (in numbers)	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, incentive	1.88	1.88
	Total	18.88	18.88
6.	Total Managerial Remuneration	18.88	18.88

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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
Chief Executive Officer &
Executive Director
DIN-03430670

Aviral Saini
Chief Financial Officer &
Executive Director
DIN-03534719

Date: August 11, 2025
Place : Ahmedabad

CSR Report

ANNEXURE C

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

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

2. **Composition of CSR Committee:**

Sr. No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of Meeting of CSR Committee attended during the Year
1	Deepak Amin (Member) / Managing Director	1	1
2	Rakesh Kumar (Member) / CEO & Executive Director	1	1
3	Aviral Saini (Member) / CFO & Executive Director	1	1

The meeting was held on May 23, 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: <https://www.lightfinance.com/wp-content/uploads/2024/07/Corporate-Social-Responsibility-Policy.pdf>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable
5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs 39,75,82,025
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs 79,51,640
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
 (d) Amount required to be set off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year (5b+5c-5d): Rs 79,51,640
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Rs 79,52,000
 (b) Amount Spent in Administrative overheads: NIL
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable
 (d) Total amount spent for the Financial Year (8a+8b+8c): Rs 79,52,000/-
 (e) CSR amount spent or unspent for the Financial Year:

(Amount in ₹ Lakhs)

Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per sub - section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs 79,52,000	Nil	-	-	Nil	-

((f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs 79,51,640/-
(ii)	Total amount spent for the Financial Year	Rs 79,52,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs 360/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs 360/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second provision to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount	Date of transfer		
(1)	2023-24				Nil			
(2)	2022-23							
(3)	2021-22							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable
 If Yes, enter the number of Capital assets created/ acquired: Not Applicable
 Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable as the company has spent full amount of CSR as per the regulatory requirement.

On behalf of the Board
 For **Light Microfinance Private Limited**

Deepak Amin
 Managing Director
 DIN- 01289453

Rakesh Kumar
 Chief Executive Officer &
 Executive Director
 DIN-03430670

Aviral Saini
 Chief Financial Officer &
 Executive Director
 DIN-03534719

Date: May 27, 2025
 Place : Ahmedabad

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Light Microfinance Private Limited,
CIN: U67120DL1994PTC216764
308 Aggarwal Tower, Plot No. 2 Sector-5,
Dwarka, New Delhi, India, 110075

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Light Microfinance Private Limited, (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided either as hard copies or scanned copies by email and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 (hereinafter called the '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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made there under;
 - a. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not Applicable to the Company during the Audit Period);**
- ii. The Depositories Act, 1996 as amended by the Securities Laws (Amendment) Act, 2014 and the Regulations and Bye-laws framed thereunder;
- iii. 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
- iv. 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 read with SEBI (Prohibition of Insider Trading) Regulations 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - d. Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

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

1. Direct and Indirect Tax laws including The Income Tax Act, 1961 and the rules made there under, Goods and Service Tax etc.
2. Rules, regulations and guidelines issued by the Reserve Bank of India, as applicable to non-deposit taking Systematically Important Non-Banking Financial Company under classification as Micro Finance Institution and further categorized under the Middle Layer category of NBFCs as per the RBI's Scale-Based Regulatory Framework, which are specifically applicable to the Company.

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

- Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time issued by The Institute of Company Secretaries of India;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

Based on the examination conducted during the Audit period (01st April, 2024 to 31st March, 2025), We hereby report that the Company has complied with the provision of the Act, Rules, Regulations, Guideline and Standards made there under for all the above laws to the extent possible.

We further report that

The Board of Directors of the Company was duly constituted with a 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 and Listing Regulations. During the year under review, following changes occurred in the composition of Board and Key Managerial Personnel:

Sr. No.	Name of Director	Designation	Nature of Change	Date of Change
1.	Mr. Thomas Klungsoyr	Nominee Director Representative of Alber Nordic Fund IV KS	Resignation	27-06-2024
2.	Ms. Daksha Shah	Independent Director	Appointment	12-08-2024
3.	Mr. Chandan Sinha	Independent Director	Resignation	Effective from 14-08-2024
4.	Ms. Parul Hariharan	Nominee Director Representative of British International Investment PLC	Appointment	12-11-2024
5.	Mr. Arvind Kodikal	Nominee Director Representative of M/s. Pettelaar Effectenbewaardbedrijf N.V.	Appointment	11-02-2025
6.	Mr. Paresh Vora	Independent Director	Appointment	11-02-2025

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 were duly approved and voted upon by the directors or members present in the meeting, with requisite majority, as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be;

Further we 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.

We further report that during the audit period the following material events has taken place:

- i. The Company in its Board Meeting dated 23rd May, 2024 has taken note of the Redemption of 3900 Non-Convertible Debentures which were redeemed on 06th May, 2024;
- ii. The Company in its Board Meeting dated 23rd May, 2024 has approved allotment of 4100 Non-Convertible Debentures;
- iii. The Non-Convertible Debentures (NCDs) bearing ISIN: INE366T07113 were modified pursuant to a revision in the coupon rate. Effective from December 12, 2023, the coupon rate was revised from 10.7836% to 13.7968% until the maturity date. Consequent to this change, a new ISIN: INE366T07170, was allotted

- iv. The Non-Convertible Debentures (NCDs) with ISIN: INE366T07097 were modified pursuant to a revision in the coupon rate. Effective from March 26, 2024, the coupon rate was revised from 10.7836% to 13.7968% until the maturity date. Consequent to this change, a new ISIN: INE366T07162, was subsequently allotted.

**For, Keyur J. Shah & Associates,
Company Secretaries,**

**Keyur J. Shah
Proprietor
FCS:9559
CP No.: 8814
Peer Review Certificate No.: 1148/2021
UDIN: F009559G000851257**

**Place: Ahmedabad
Date: 24th July, 2025**

This Report is to be read with our letter of even date which is annexed as Annexure-1 and forms integral part of this report.

ANNEXURE 1

The Members,
Light Microfinance Private Limited
 308 Aggarwal Tower, Plot No. 2 Sector – 5,
 Dwarka, New Delhi, India, 110075

Based on audit, our responsibility is to express our opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards require CSAS-1 to CSAS-4 ("CSAS") prescribed by the ICSI. These standards require that the auditor complies with the statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about the compliance with applicable laws and maintenance of records.

Due to inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

- a. 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.
- b. We have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- d. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. 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.

For, Keyur J. Shah & Associates,
 Company Secretaries,

Keyur J. Shah
 Proprietor
 FCS:9559
 CP No.: 8814
 Peer Review Certificate No.: 1148/2021
 UDIN: F009559G000851257

Place: Ahmedabad
 Date: 24th July, 2025

Management Discussion & Analysis

ANNEXURE E



Indian Economy

FY25 was marked by a challenging macroeconomic environment, despite India retaining its position as the fastest growing major economy. GDP grew at 6.5%, moderating from 8.2% in FY24, indicating a shift from the post-pandemic rebound to a more restrained and uneven recovery.

The year saw mounting pressures from multiple fronts - rising inflation, high input costs, weak job creation, and sluggish private investment. Headline CPI inflation averaged 5.4%, edging closer to the upper limit of the RBI's tolerance band, with food inflation averaging 6.8%. Erratic weather patterns and supply chain disruptions led to sharp price spikes in pulses, vegetables, and cereals, squeezing household budgets - especially in rural areas.

Rural consumption, while statistically improved, masked underlying distress. The 8.6% rise in households registered under MGNREGS was not just reflective of higher participation but indicative of inadequate rural employment outside public schemes. Real wage growth remained tepid, limiting purchasing power. Though consumer goods grew 11% YoY, the recovery was largely essentials-driven, with discretionary spending showing persistent weakness.

Industrial activity faced headwinds as well. Manufacturing growth slowed to 4.5%, weighed down by muted exports, elevated input costs, and financing constraints. Construction remained a relatively bright spot with 9.4% growth, bolstered by public capex (₹11 trillion), but private sector momentum was lacking. Business confidence remained cautious amid global volatility and domestic cost pressures.

Monetary policy had limited room to maneuver. The RBI kept the policy rate at 6.5% for most of the year, balancing sticky core inflation with weakening demand signals. It was only in February 2025 that a 25-bps rate cut was announced, lowering the rate to 6.3% to support growth — albeit with limited immediate transmission.

Despite these constraints, India crossed a significant milestone by becoming the world's fourth largest economy with a GDP of US\$ 4.2 trillion, overtaking Japan. However, this achievement came during a year characterized more by resilience than exuberance.

As FY26 begins, the macroeconomic outlook remains cautiously optimistic. Growth is projected between 6.3% to 6.8%, but sustaining this will require navigating several

headwinds - including volatile commodity prices, fiscal constraints, weak private capex, and fragile rural demand. A more supportive inflation environment and gradual policy easing may provide some relief, but the need for targeted structural interventions remains critical.

FY26 Outlook: Cautious Optimism Amid Global and Domestic Challenges

India enters FY26 with cautious optimism, backed by structural strengths and policy continuity. GDP growth is projected between 6.3% and 6.8%, making India the fastest growing major economy. However, lingering inflationary pressures, external shocks, and investment sluggishness present notable downside risks.

Key Growth Drivers

Domestic Consumption

Accounting for ~60% of GDP, domestic consumption is expected to grow 4–5% YoY, driven by rising incomes, a young population, and expanding formal employment. Government support through rural development schemes and a revised tax regime - including an increased exemption limit of ₹12 lakh and ₹75,000 standard deduction - is expected to boost disposable income and demand.

Capital Expenditure

The government's continued focus on infrastructure is reflected in its ₹11 trillion capex allocation for FY26. This is projected to push construction sector GVA to 12.5%, up from 8.6% in FY25, and stimulate employment and ancillary demand.

Supportive Monetary Policy:

With retail inflation easing to 3.2% in April 2025, the RBI has begun loosening policy rates. An accommodative monetary stance is expected to enhance credit flow, ease borrowing costs, and support investment activity without stoking inflationary risks.

Manufacturing and Exports

The PLI scheme continues to drive industrial growth. As of March 2025, it attracted 1.6 trillion in investment, enabled ₹14 trillion of production, and generated ₹5.3 trillion in exports. With a 76% budget increase in FY26, the scheme is expected to further enhance the manufacturing scale and global competitiveness.

Risk and Challenges

Global Trade Tensions

Rising protectionism, particularly U.S. tariffs, may impact key exports like electronics and metals, potentially reducing GDP growth by 0.2% to 0.5%.

Private Investment Weakness

Despite public capex, private sector investment remains subdued. A 1% fall in FDI typically translates to a 0.1% to 0.2% point drop in GDP growth. Addressing regulatory clarity and investor confidence remains crucial.

Geopolitical and Climate Risk

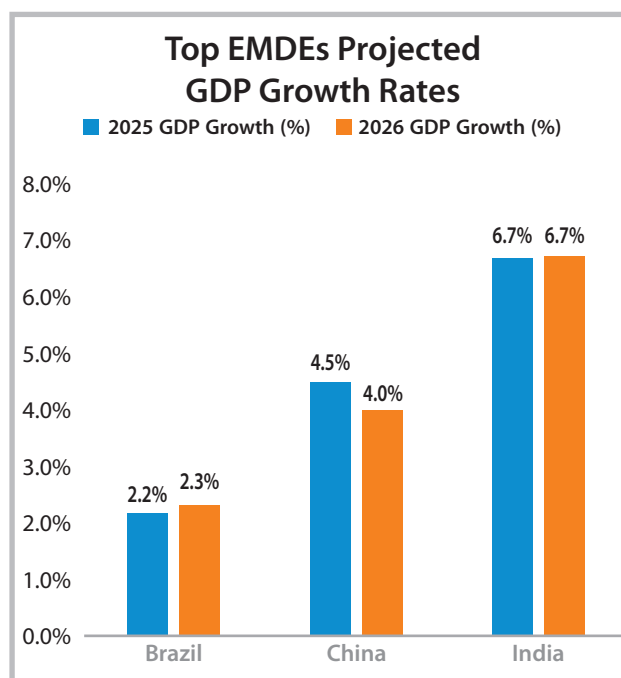
The ongoing Russia - Ukraine conflict, oil price volatility, and regional instability (e.g. India - Pakistan tensions) remain key macroeconomic headwinds. A 10% rise in crude oil prices could reduce GDP by ~0.2%. Additionally, erratic monsoons and climate-related disruptions could shave off ~0.3% points from GDP growth.

Fiscal Consolidation Pressures

As the government shifts focus on fiscal discipline, its ability to expand welfare spending or stimulus measures may be constrained. Balancing social protection with growth imperatives will require strategic policy choices.

India vis a vis other Emerging Markets and Developing Economies (EMDEs)

Among major Emerging Markets and Developing Economies (EMDEs), India continues to stand out. Alongside China and Brazil, India has contributed nearly 60% of global growth since 2000. With strong digital infrastructure, structural reforms like GST and PLI, and proactive governance, India remains a leading engine of global growth and investment.



Source : World Bank





Financial Services Sector in India-FY25

A Year of Stress and Tightening

FY25 was a challenging year for India's financial services sector. While macroeconomic indicators remained stable, the lending landscape experienced credit fatigue, regulatory headwinds, and demand side pressures, particularly in the second half of the year.

Regulatory Caution and Liquidity Management

The RBI maintained the repo rate at 6.5% for most of the year and eased it to 6.3% in February 2025 to support growth. However, the policy remained broadly cautious. The central bank infused over ₹9.7 trillion into the system from January to May 2025, resulting in a liquidity surplus of ₹2.3 trillion, but credit transmission remained uneven.

In October 2024, the RBI raised risk weights on unsecured retail loans and NBFC exposures, leading to tighter underwriting standards and lower disbursements in segments such as personal loans, consumer finance, and small-ticket credit.

Credit Growth Moderates Across Segments

- Bank credit growth decelerated to 12% YoY, down from 16% in FY24.
- Unsecured lending slowed sharply due to regulatory action and growing delinquency concerns.
- MSME and vehicle finance witnessed tepid growth, with rising NPAs prompting risk recalibration.
- Gold loans picked up as households turned to collateral-backed borrowing amid tighter unsecured access.
- Green energy finance remained an exception, supported by policy incentives.



Inclusion and Digital Ecosystem Stay Resilient

Amid the slowdown, digital and financial inclusion efforts held strong:

- UPI recorded 186 billion transactions worth ₹260 trillion (+42% in volume).
- Over 3 crore new Jan Dhan accounts were added, taking the active base to 55 crores.
- The Account Aggregator framework processed 179.7 million consent requests, deepening data-driven underwriting.

Capital Markets & Insurance Offer Pockets of Resilience

- FY25 saw 318 IPOs, buoyed by retail participation and stable equity sentiment.
- The insurance sector saw higher uptake in health and term plans, although premium growth slowed amid affordability pressures.

FY25 revealed the fragility in high-growth lending cycles. Heading into FY26, the focus will likely shift to:

- Strengthening asset quality, especially in retail and NBFC portfolios.
- Selective growth, with emphasis on secured and priority segments.
- Leveraging digitization and alternate data for smarter risk management.



Microfinance Sector in India – FY25: A Year of Stress and Reset

FY25 proved to be a turbulent year for India's microfinance sector. After several years of expansion, the industry faced mounting headwinds marked by rising delinquencies, regulatory tightening, and borrower stress, particularly in rural markets. Growth momentum slowed considerably, forcing a period of recalibration across institutions.

Emerging Stress and Portfolio Contraction

The Gross Loan Portfolio (GLP) declined by 13.5% YoY to ₹3.8 trillion, reflecting caution from lenders amid growing over-indebtedness and collection challenges. Portfolio at Risk (PAR) rose sharply, especially in geographically concentrated pockets, signaling vulnerability in household cash flows.

Demand from rural borrowers remained high, but income volatility - exacerbated by patchy monsoons and inflation - dampened repayment capacity. Institutions also saw increased borrower fatigue due to excessive loan layering and rising interest burdens.

Regulatory and Industry Response

The RBI stepped in to stabilize the sector, tightening compliance and encouraging responsible lending:

- Risk weights on microfinance loans were reduced from 125% to 100% to ease capital pressure.
- Unified co-lending norms were rolled out to improve

bank-MFI partnerships and credit flow to underserved areas.

- The regulator took punitive action against four NBFCs for usurious pricing, signalling a zero-tolerance stance on unethical practices.
- Mandatory disclosure of Annualized Percentage Rate (APR) and enhanced borrower protection measures were introduced, especially in digital channels.

Self-Regulatory Organizations (SROs) also acted swiftly:

- MFIN reduced the permissible number of lenders per borrower from four to three to combat over-lending.
- Sa-Dhan advocated for a dedicated revival fund and enhanced support for NGO-led microcredit in underserved regions.

FY25 underscored the need for greater risk discipline, product diversification, and deeper customer engagement. With regulatory guardrails in place and digital tools being increasingly adopted, the sector is now entering FY26 with a sharper focus on sustainability, transparency, and ethical lending.

Light – FY25 Performance Summary

FY25 was an exceptionally challenging year for the microfinance industry. A confluence of macroeconomic pressures - led by persistent inflation, uneven rural recovery, and rising credit stress - created a turbulent operating environment. Regulatory tightening and borrower fatigue from prolonged economic strain further amplified the pressure across the sector. As a responsible participant in this ecosystem, Light too faced the impact, with growth momentum slowing and asset quality coming under strain.

However, rather than chasing volumes in a volatile market, Light identified early warning signals and undertook a calibrated, conservative approach to portfolio growth. This strategic shift defined its performance in FY25, centering on risk management, operational strengthening, and digital transformation.

The Company's Assets Under Management (AUM) stood at ₹1,699 crore by March 2025, lower than the previous year, reflecting its conscious decision to prioritize quality over scale. Disbursements too saw a reduction, as Light tightened credit filters and scaled back exposure in higher-risk geographies. As expected, the external environment still impacted delinquencies, with PAR levels rising. Despite this, Light maintained a strong capital position, improving its Capital Adequacy Ratio to 33.3%, ensuring long-term stability and lender confidence.

Operationally, Light continued to invest in its branch infrastructure and field force, extending reach to 130 districts. While the active borrower base saw a decline due to moderated disbursements, the Company remained focused on strengthening customer relationships and improving field engagement. Employee count rose modestly, driven by targeted hiring in service delivery and credit monitoring roles.

FY25 was also a year of meaningful digital progress. The Light Money app gained strong traction among borrowers, with improved penetration even in rural pockets. Digital collections accounted for over a third of all microfinance repayments - a testament to the Company's effort in digitizing field operations and promoting financial inclusion through assisted digital models.

The digital lending vertical - though nascent - made steady headway. Light onboarded new fintech partners, extended its reach to over 200 cities, and implemented robust underwriting and risk-sharing mechanisms, including FLDG-backed arrangements. These steps helped contain asset quality pressures, even as portfolio size remained modest. Borrower profiles were largely small traders and service providers, reflecting the unmet working capital demand among India's micro and small business segment.

In a step toward product diversification, Light launched Unsecured Business Loans as a pilot initiative in Gujarat. The product catered to upwardly mobile microentrepreneurs seeking larger, customized credit for business expansion. Though still in the early phase, the product saw encouraging

borrower response, paving the way for a more structured rollout in FY26.

Internally, the Company focused on strengthening governance and process discipline. Core processes such as collections, disbursements, HR onboarding, and performance tracking were digitized. Light also rolled out new learning and mentoring frameworks to enhance field capabilities and retain top talent.

While the Company's financial metrics reflected the headwinds of the year, Light's ability to pivot early, preserve capital strength, and continue investing in digital infrastructure and people proved to be its key differentiators. The approach may have limited short-term growth, but it helped Light avoid deeper portfolio distress and positioned the organization for more stable recovery.

In summary, FY25 was a year of strategic consolidation. Light navigated through one of the most difficult years for the microfinance sector with foresight, discipline, and adaptability. As the industry enters a phase of recalibration and potential revival, Light is now better equipped to scale responsibly, deepen digital capabilities, and serve the evolving needs of its customers with greater precision and resilience.

Regulatory Compliance

FY25 marked a year of continued alignment with the microfinance regulatory framework issued by the RBI. While no new structural reforms were introduced, Light remained



fully compliant with all the prevailing guidelines.

The Company maintained rigorous adherence to key norms - including the ₹3 lakh household income eligibility cap, mandatory 75% allocation of assets to microfinance loans, and the 50% household repayment cap. A robust affordability assessment framework, borrower education practices, and timely reporting to Credit Information Companies (CICs) ensured that regulatory intent translated into responsible on-ground execution. Oversight from internal compliance teams further reinforced discipline across branches and verticals.

Capital Management

Light did not undertake any capital raise during FY25. However, the Company continues to maintain active engagement with strategic investors aligned with its mission, and remains open to capital infusion should growth conditions improve.

This disciplined approach allowed the Company to prioritize liquidity, protect portfolio quality, and continue investing in digital transformation without over-leveraging. The existing capital structure remained strong and compliant with all regulatory adequacy norms.

Technology-Led Operational Excellence

In FY25, Light accelerated its digital transformation journey, leveraging technology to improve operational efficiency, mitigate risks, and enhance customer and employee experience.

Key interventions included:

- **AI-Based Risk Models:** Enabled early identification of default-prone accounts and enabled pre-emptive collection strategies.
- **Geo-Intelligence Tools:** Supported field force deployment and village-level planning through real-time tracking.
- **Digital Lending Stack:** Integration with Account Aggregator (AA) and DigiLocker improved decision-making and KYC efficiency.
- **Performance Dashboards:** Empowered field teams with transparent visibility into targets and incentives, enhancing productivity and motivation.

These interventions collectively positioned Light as a digital-first MFI, blending risk intelligence with inclusion.

Human Resource and Culture

The HR function at Light underwent major transformation in FY25 with a focus on automation, leadership pipeline development, and employee well-being.



- **Process Automation:** Self-appraisal system, paperless onboarding, HRMS-based attendance, and fully automated payroll were rolled out.
- **Talent Development:** Over 2,200 new employees were mentored through a structured 30-day onboarding and training program.
- **Progressive Policies:** New guidelines introduced for employee transfers, retention, car loans, and responsible workplace practices.
- **Employee Engagement:** Initiatives like Women's Week, soft skill workshops, and "Joy of Living" activities reinforced a culture of wellness and empathy.

Internal Control & Adequacy

Light has developed and institutionalized a strong internal control system proportionate to the scale and complexity of its operations. These controls are reviewed regularly to ensure ongoing risk coverage, process integrity, and regulatory compliance.

Key control mechanisms include:

- Regular process monitoring across business units
- Surprise audits at branch level
- Independent investigations for fraud or misconduct
- Review of Portfolio at Risk (PAR), operational gaps, and exception reports

The control framework is also backed by strong governance from the Board and senior leadership.



Internal Audit Management

The internal audit function plays a pivotal role in evaluating the strength and effectiveness of controls across Light's operations.

- The annual audit plan is closely aligned with the Company's risk profile
- Internal audits are conducted by an independent third-party agency to ensure objectivity
- The Audit Committee provides strategic oversight and reviews findings for corrective action

Throughout FY25, no material irregularities were reported, which reaffirms the efficacy of the audit and control environment.

Key Achievements of the Accounts Department in FY24-25

The Accounts team demonstrated high standards of accuracy, efficiency, and regulatory compliance in FY25. Notable achievements included:

- 100% adherence to Ind-AS accounting standards
- Tight budgetary control and monitoring of financial risks
- Faster and more accurate MIS reporting through automation
- Timely closure of audits with clean reporting from both internal and statutory auditors

These achievements ensured financial discipline and operational transparency, contributing to overall governance excellence.

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

Particulars	Details
Options granted during the year	NIL
Options vested during the year	6,01,876
Options exercised during the year	NIL
The total no. of shares arising as a result of exercise of option	NIL
Options lapsed during the year	3,05,000
Exercise price	- for options granted in 2018-19 - Rs. 10.63/- - for options granted in 2021-22 - Rs. 37.70/- - for options granted in 2023-24 - Rs. 66.00/-
Variation of terms of options	None
Money realized by exercise of options	NIL
Total number of options in force	39,94,780

Employee wise details of options granted during the year:

Key Managerial Personnel

Name	Designation	Options at the end of March 31, 2024	Options granted during the year	Options at the end of March 31, 2025
Mr. Rakesh Kumar	Chief Executive Officer and Executive Director	17,13,159	0	17,13,159
Mr. Aviral Saini	Chief Financial Officer and Executive Director	13,36,221	0	13,36,221
Ms. Madhavi Gajjar	Chief Compliance Officer and Company Secretary	50,000	0	50,000

Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year

Name	Designation	Options granted during FY 2023-24
Satish Dhupdale	Chief Digital Officer	1,50,000

Identified employees who were granted option during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

NIL

Independent Auditors Report

To The members of **Light Microfinance Private Limited** **Report on the Audit of the IND AS Financial Statements**

OPINION

We have audited the accompanying Ind AS financial statements of Light Microfinance Private Limited ("the Company") which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") read with applicable relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) Guidelines ("RBI Guidelines") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to Note no. "30 VV" to the financial statements regarding covenant breach and its respective waiver process, as well as implications on financial charges and liabilities.

We, further draw attention to Note no. "30 WW" the Company is required to maintain minimum qualifying criteria of 75% of its total assets towards "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as per the paragraph 5.1.21 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 updated as on May 05, 2025. As at March 31, 2025, the Company's qualifying assets (i.e. microfinance loans to total assets) is 64.71%. The Company had sought time for maintaining qualifying assets criteria from RBI vide Company's letter dated 7th April, 2025. RBI vide its letter dated May 15, 2025 has provided an extension till September 30, 2025 to the Company to fulfil the minimum qualifying criteria.

Our opinion on the financial statement is not modified in respect of above matters.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

(a) Allowances for Expected Credit Losses (as described in note 1 (o) and 5 of the Ind AS financial statements)

Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.

How the matter was addressed in our audit

Our audit procedures on test check basis included the following:

1. Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors.

Key audit matters	How the matter was addressed in our audit
ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: 1. Estimating the behavioural life of the product/types of loans/ advances. 2. Data inputs in relation to ECL model. 3. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default. 4. Defining qualitative/ quantitative thresholds for	2. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. 3. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. 4. Evaluated the reasonableness of the management estimates and its reassessment by understanding the process of ECL estimation and related assumptions (including Probability of Default and Loan Given Default) and tested the controls around data extraction and validation. 5. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. 6. Tested a sample of performing (stage 1) loans to assess whether any loss indicators due to classification were present requiring them to be classified under higher stages. 7. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. 8. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.

(a) Allowances for Expected Credit Losses (as described in note 1 (o) and 5 of the Ind AS financial statements)

The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.

Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.

Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.

Our audit procedures on test check basis included the following:

1. The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls.
2. Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting.
3. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal system controls over financial reporting using various techniques such as inquiry, review of documentation / record / reports, observation, and reperformance.
4. Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.

Notes to financial statements for the year ended 31 March, 2025

OTHER MATTER

The financial statements of the Company for the year ended March 31, 2024, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 23, 2024.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE Ind AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a

true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE Ind AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use

Notes to financial statements for the year ended 31 March, 2025

of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigations which would impact its financial position as stated in Note No. 30-H.
 - b) The Company has made provision, as required under the applicable law or Indian accounting

Notes to financial statements for the year ended 31 March, 2025

standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any

guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under clause (i) and (ii) of Rule 11(e), as provided under a) and b) above, contain any material misstatement.
 - e) The Company has not declared or paid any dividend during the year.
 - f) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The Audit trail has been preserved by the company as per the statutory requirements for record retention.
3. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2025, during the current year, no remuneration has been paid by the company to its directors.

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Anand Sharma
Partner
Membership No. : 129033

Annexure - A to the Independent 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, 2025

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

i. In respect of Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

b) The Property, Plant & Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to information and explanation given to us, no material discrepancies were noticed on such verification.

c) The Company does not hold any immovable properties and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company and as disclosed in Note 30 (S) (ii), there are no proceedings initiated or pending against the Company for holding any Prohibition of benami Property under the Benami Transactions Act, 1988 and rules made thereunder.

ii. a) The Company is Non-Banking Finance Company and its principal business is to give loans. Accordingly, the requirement under clause 3(ii)(a) of the Order is not applicable

b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. a) The Company is Non-Banking Finance Company and its principal business is to give loans.

Accordingly, the requirements under clause 3(iii)(a) including sub clause (A) and (B) of the order are not applicable.

b) According to the information and explanations given to us and based on the audit procedures performed by us, the investments made and the terms and conditions of the grant of the loans and advances in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest

c) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular except for instances reported below:

(₹ in Lakhs)

Particulars- Days Past Due	No. of Loan Accounts	Principal Overdue (₹)	Interest Overdue (₹)
1-90 days	10,847	398.51	83.83
More than 90 days	24,811	1,032.83	288.84

d) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to ₹1,321.67 Lakhs as at March 31, 2025 in respect of 24,811 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e) The Company is Non-Banking Finance Company and its principal business is to give loans. Accordingly, the requirement under clause 3(iii)(e) of the Order is not applicable.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- iv. In our opinion and according to the information and explanations given to us, the Company has not granted loan or given guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013. The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loans and investments.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which directives issued by the RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder apply. Accordingly, reporting under clause 3(v) of the Order is not applicable to the company.
- vi. The Company is Non-Banking Finance Company and its principal business is to give Microfinance loans. Accordingly, provision of clause 3(vi) of the Order is not applicable.
- vii. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. As informed, the provisions of sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.
 - a) No undisputed amounts payable in respect of goods and services tax, provident fund, income-tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) There are no dues referred to in 3(vii)(a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company and as disclosed by the Company in Note 30 (S) (x), the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account or in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
 - a) According to the information and explanations given to us, and on the basis of our examination of records, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
 - b) As disclosed by the management in Note 30 (S) (iii) and as confirmed by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, and on the basis of our examination of the records, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.
- e) The Company does not have subsidiaries or associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have subsidiaries or associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.
- x.
 - a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable to the company.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
 - a) According to the information and explanations given to us and on the basis of our examination of the relevant record of the Company, no fraud by the Company has been noticed or reported during the year and fraud on the company has been noticed involving misappropriation of cash collected from customers and other form of embezzlement of cash by several employees involving amount aggregating ₹63.89 Lakhs. The company has recovered 18.75 Lakhs. (Refer Note no. 30-UU)
 - b) According to the information and explanations given to us and based on examination of relevant record, no report under sub section (12) of section 143 of the Act has been filed in the form ADT – 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with central government during the year and up to the date of this report.

- c) According to the information and explanations given to us and based on examination of relevant record, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) The company being NBFC-MFI is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the company. As disclosed by the Company in Note no. "30 WW" the Company is required to maintain minimum qualifying criteria of 75% of its total assets towards "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as per the paragraph 5.1.21 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 updated as on May 05, 2025. As at March 31, 2025, the Company's qualifying assets (i.e. microfinance loans to total assets) is 64.71%. The Company had sought time for maintaining qualifying assets criteria from RBI vide Company's letter dated 7th April, 2025. RBI vide its letter dated May 15, 2025 has provided an extension till September 30, 2025 to the Company to fulfil the minimum qualifying criteria.
b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company("CIC") as defined in the regulations made by the Reserve Bank of India, and accordingly requirements of clause 3(xvi)(c) of the Order is not applicable.
- d) There is no group entity of the company, accordingly, requirement of clause 3(xvi)(d) of the Order is not applicable.
- xvii. Based on overall examination of financial statements, the Company has not incurred any cash losses in current financial year and in the immediately preceding financial year.
- xviii. There is no resignation of the Statutory Auditor during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As disclosed by management in Note NO. 30-O there is no unspent amount as per subsection 5 of section 135 of the Act towards Corporate Social Responsibility (CSR) as at the end of the financial year, hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Anand Sharma
Partner
Membership No. : 129033

Annexure - B to the Independent 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 Microfinance Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the accompanying Ind AS 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of 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 Ind AS 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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.

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Anand Sharma
Partner
Membership No. : 129033

Statement of assets and liabilities

as at March 31, 2025

(Amount in ₹ Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	2	29,802.84	25,461.08
Bank balances other than cash and cash equivalents	3	7,758.12	5,991.33
Derivative Financial Instruments	12	200.89	-
Trade Receivables	4	-	11.93
Loans	5	1,23,108.83	1,78,670.83
Investments	6	7,925.36	1,012.72
Other financial assets	7	5,427.05	6,385.97
		1,74,223.08	2,17,533.87
Non Financial Assets			
Current tax assets (net)	8	299.57	16.70
Deferred tax asset (net)	9	1,020.75	1,149.32
Property, Plant & Equipment's	10-A	1,103.32	783.36
Capital work in progress		-	284.56
Right of Use		1,042.24	332.85
Intangible assets under development	10-B	2 8.45	116.02
Other Intangible assets	10-A	1,209.83	956.54
Other non-financial assets	11	431.92	283.94
		5,136.07	3,923.29
Total Assets		1,79,359.15	2,21,457.16
LIABILITIES & EQUITY			
Liabilities			
Financial Liabilities			
Derivative Financial Instruments	12	-	74.03
Payables			
Trade Payables			
(i) Total outstanding dues of Micro enterprises and small enterprises	13	93.78	339.01
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises other payables	13	131.16	334.78
Debt securities	14	15,833.34	20,776.03
Borrowings (other than Debt securities)	15	1,02,756.95	1,40,609.75
Subordinated Liabilities	16	10,844.74	10,803.92
Other financial liabilities	17	5,609.30	5,929.79
Lease liabilities		1,122.69	414.85
		1,36,391.97	1,79,282.16
Non Financial Liabilities			
Current tax liabilities (net)		-	664.50
Provisions	18	1,134.28	559.11
Other non Financial liabilities	19	1,188.05	1,026.01
		2,322.33	2,249.62
Equity			
Equity share capital	20	10,779.68	10,779.68
Other equity	21	29,865.18	29,145.69
		40,644.86	39,925.37
Total liabilities and equity		1,79,359.15	2,21,457.16
Notes forming part of the Financial Statements	1 to 30		

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Place : Ahmedabad

Date: 27th May, 2025

Anand Sharma
Partner
Membership No. : 129033

For Light Microfinance Pvt Ltd

Deepak Amin
Managing Director
DIN- 01289453

Rakesh Kumar
Chief Executive Officer &
Executive Director
DIN-03430670

Aviral Saini
Chief Financial Officer &
Executive Director
DIN-03534719

Madhavi Gajjar
Company Secretary &
Chief Compliance Officer
M.No. A54522

Statement of financial results

for the year ended March 31,2025

(Amount in ₹ Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Revenue from operations			
Interest income	22	41,449.45	43,715.70
Other operating income	23	6,741.41	7,358.92
Total revenue from operation		48,190.86	51,074.62
Other income	24	1,302.15	882.78
Total Income (I+II)		49,493.01	51,957.40
Expenses			
Finance cost	25	20,796.18	20,645.80
Impairment/(Reversal) of Impairment on Financial Instruments	26	(457.28)	3,199.03
Net loss on derecognition of financial instruments under amortised cost category	26	5,440.17	2,156.65
Employee Benefit Expense	27	16,398.82	12,398.11
Depreciation & Amortization Expenses	28	1,378.18	9 18.82
Other Expenses	29	5,195.87	4,602.76
Total Expenses (IV)		48,751.95	43,921.17
Profit before tax (III-IV)		741.06	8,036.23
Tax Expenses			
Current Tax		133.11	2,576.66
Deferred Tax		76.37	(885.10)
Short provisions of earlier year		50.06	36.18
Total tax expense (VI)		259.54	1,727.74
Net profit after tax (V-VI)		481.52	6,308.49
Other Comprehensive income/(loss)			
(1) Items that will not be reclassified to profit and loss		(67.51)	(47.08)
(2) Income tax relating to items that will not be reclassified to profit and loss		16.99	11.85
Subtotal (a)		(50.52)	(35.23)
(1) Items that will be reclassified to profit and loss-Fair value income/(loss)on derivative financial instruments		274.91	(74.03)
(2) Income tax relating to items that will be reclassified to profit and loss		(69.19)	18.63
Subtotal (b)		205.72	(55.40)
Other Comprehensive income/(loss) (a+b)		155.21	(90.63)
Total comprehensive income (comprising profit and other comprehensive income/ (loss))		636.73	6,217.86
Paid up share capital		10,779.68	10,779.68
Other equity as per balance sheet of previous accounting year			
Earning per share (EPS) (face value of Rs. 10 per equity share)			
Basic EPS	30-B	1.92	25.18
Diluted EPS	30-B	0.74	8.32
Notes forming part of the financial results	1 to 30		

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Place : Ahmedabad

Date: 27th May, 2025

Anand Sharma
Partner
Membership No. : 129033

For Light Microfinance Pvt Ltd

Deepak Amin
Managing Director
DIN- 01289453

Rakesh Kumar
Chief Executive Officer &
Executive Director
DIN-03430670

Aviral Saini
Chief Financial Officer &
Executive Director
DIN-03534719

Madhavi Gajjar
Company Secretary &
Chief Compliance Officer
M.No. A54522

Statement of cash flow

as at March 31, 2025

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash flow from Operating Activities		
Profit Before tax	741.06	8,036.23
Depreciation and amortization	1,160.90	7 63.40
Gain on sale of units of Mutual Fund	(1,257.08)	(693.52)
Non Cash Employee Share Base Payment Expense	82.75	30.96
Loss/(Profit) on sale of Assets	(0.01)	(0.02)
Operating Profit before Working Capital Changes	727.62	8,137.05
Movements in Working Capital:		
Decrease/(Increase) in trade receivables	11.93	79.74
Decrease/(Increase) in loans	55,562.00	(35,137.84)
Decrease/(Increase) in other financial assets	958.93	(301.09)
Decrease/(Increase) in right of use	(709.39)	155.42
Decrease/(Increase) in other non financial assets	(129.14)	(72.36)
Increase/(Decrease) in trade payables	(448.85)	23.40
(Decrease)/Increase in other financial liabilities	(28.32)	(143.28)
(Decrease)/Increase in provisions	524.66	105.61
(Decrease)/Increase in other non financial liabilities	(502.45)	300.98
Cash Generated/(Used in) Operations:	55,966.97	(26,852.34)
Direct Taxes Paid (net of refunds)	432.68	1,925.62
Net Cash Flow from/(used in) Operating Activities (A)	55,534.29	(28,777.98)
Cash flow from Investing Activities		
Purchase of property, plant and equipment (net)	(1,128.64)	(854.48)
Redemption / (Purchase) of units of Mutual Funds (net)	1,257.08	693.52
Decrease/(Increase) in Investment	(6,912.64)	2,513.55
(Increase) / Decrease in fixed deposits	(1,766.79)	(1,830.25)
Purchase of intangible asset	(887.91)	(1,014.36)
Capital work in progress	284.56	(284.56)
Intangible assets under development	87.58	10.94
Proceeds from disposal of property, plant and equipment	282.41	249.28
Net Cash Flow from/(used in) Investing Activities (B)	(8,784.35)	(516.36)

Statement of cash flow

as at March 31, 2025

(Amount in ₹ Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Cash flow from Financing Activities			
Derivative Financial Instruments		(69.19)	(74.03)
Debt securities (repaid)/issued (net)		(4,942.69)	56.39
Borrowings other than debt securities repaid (net)		(37,852.79)	33,056.01
Subordinated Liabilities (net)		40.82	7,803.92
Increase /(Payment) of lease liabilities		707.84	(143.92)
Proceeds from issuance of Equity Share Capital - -			
Proceeds from issue of share warrants		-	28.30
Proceeds from issuance Compulsory Convertible Preference Share (including premium)		-	-
(Decrease)/Increase in Interest accrued on borrowing		(292.17)	398.11
Expenditure on issuance of Compulsory Convertible Preference Share / Non Convertible Debenture		-	-
Net Cash Flow from/(used in) financing Activities (C)		(42,408.18)	41,124.78
Net Increase/(decrease) in cash and cash equivalents		4,341.76	11,830.43
Cash and Cash equivalents at the beginning of the year		25,461.08	13,630.64
Cash and Cash equivalents at the end of the year		29,802.84	25,461.08
Notes forming part of the financial results			
As per our attached report of even date			

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Anand Sharma
Partner
Membership No. : 129033

Place : Ahmedabad

Date: 27th May, 2025

For Light Microfinance Pvt Ltd

Deepak Amin
Managing Director
DIN- 01289453

Rakesh Kumar
Chief Executive Officer &
Executive Director
DIN-03430670

Aviral Saini
Chief Financial Officer &
Executive Director
DIN-03534719

Madhavi Gajjar
Company Secretary &
Chief Compliance Officer
M.No. A54522

Statement of change in equity

as at March 31, 2025

(Amount in ₹ Lakhs)

Particulars	Equity Share	Preference Share
Issued, Subscribed and Fully Paid-up Share Capital		
Balance as at 1 April 2023	2,505.00	8,274.68
Issued During the Period --		
Balance as at 31 March 2024	2,505.00	8,274.68
Issued During the Period --		

Particulars	Statutory Reserves*	Securities Premium	Retained Earnings	Stock options outstanding account	Cash flow Hedge Reserve	Money received against share warrants	Total
Balance as at 1 April 2023	1,413.74	18,575.95	2,711.02	167.86	-	-	22,868.57
Amount Transferred from balance in the statement of profit and loss u/s 45 IC of Reserve Bank of India Act, 1934	1,254.65						1,254.65
Surplus for the period	-	-	6,217.85	-	-	-	6,217.85
Cash flow Hedge Reserve	-	-	55.40	-	-	-	55.40
Transfer to Statutory Reserves u/s 45 IC of Reserve Bank of India Act, 1934	-	-	(1,254.65)	-	-	-	(1,254.65)
Money received against share warrant	-	-	-	-	-	28.30	28.30
Reserve added during the year Option Granted	-	-	-	30.96	-	-	30.96
Other comprehensive income	-	-	-	-	(55.40)	-	(55.40)
Balance as at 31 March 2024	2,668.39	18,575.95	7,729.62	198.82	(55.40)	28.30	29,145.69
Amount Transferred from balance in the statement of profit and loss u/s 45 IC of Reserve Bank of India Act, 1934	86.20	-	-	-	-	-	86.20
Surplus for the period	-	-	636.73	-	-	-	636.73
Cash flow Hedge Reserve	-	-	(205.72)	-	-	-	(205.72)
Transfer to Statutory Reserves u/s 45 IC of Reserve Bank of India Act, 1934	-	-	(86.20)	-	-	-	(86.20)
Money received against share warrant	-	-	-	-	-	-	-
Reserve added during the year Option Granted	-	-	-	82.75	-	-	82.75
Other comprehensive income	-	-	-	-	205.72	-	205.72
Balance as at 31 March 2025	2,754.59	18,575.95	8,074.43	281.58	150.33	28.30	29,865.17

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

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W/100377

Anand Sharma
Partner
Membership No. : 129033

Place : Ahmedabad

Date: 27th May, 2025

For Light Microfinance Pvt Ltd

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Managing Director

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Madhavi Gajjar

Company Secretary &
Chief Compliance Officer
M.No. A54522

Notes to financial statements for the year ended 31 March, 2025**NOTE 1: NOTES FORMING PART OF THE FINANCIAL STATEMENTS****a. Corporate Information**

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

The Company is engaged primarily in providing microfinance services to its members for undertaking productive activities in urban/semi-urban/rural areas of India who are organized, inter alia as Joint Liability Groups ("JLGs"). The company has its operation spread across 9 states namely Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Rajasthan, Odisha, Uttar Pradesh, Jharkhand and Uttarakhand.

b. Basis of Preparation**Statement of compliance with Indian Accounting Standards (Ind AS)**

The financial statements of the Company are prepared in accordance with Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), regulatory guidance issued by RBI on Implementation of Indian Accounting Standards and the Master Direction- Non-Banking Financial Company-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('NBFC Master Directions') issued by RBI.

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

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

These Ind AS Financial Statements have been reviewed by the Audit Committee and approved by the Board of

Directors at their meeting held on May 27 2025. The above results for the year ended March 31, 2025 have been audited by the Statutory Auditors of the Company.

MATERIAL ACCOUNTING POLICY INFORMATION**c. Use of Estimates**

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

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

d. Critical Accounting estimates and judgements

In particular, Information about significant areas of estimates, uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using the valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note j and para 30(l) of notes to accounts.

2. Impairment of Loan Portfolio

Judgement is required by management in the estimation of the amount and timing of future cash flow when determining an impairment allowance for loan and advances, In estimating these cash flows, the Company makes judgements the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ and resulting in changes to the impairment allowance.

3. Defined employee benefit assets and liabilities

The cost of defined benefit gratuity plan and other post-employment benefits and the present value

Notes to financial statements for the year ended 31 March, 2025

of the gratuity obligation using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future increase in salary and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4. Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment. that by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigations, arbitration regulatory investigations and proceedings in the ordinary course of Company's business. When the Company can reliably measure the outflow of economic benefits in relations to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the outflow is considered to be probable but a reliable estimate cannot be made, a contingent liability is disclosed., Significant judgement is required to conclude on these estimates. For further details on provision and contingencies refer note u and v.

5. Provision for income tax and deferred tax

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that the future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

6. Business model assessment

Refer Note i, j and k of the note of the financial statement.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that these estimates used in preparation of the financial statements are prudent and reasonable.

e. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of

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

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

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

f. Capital work-in-progress

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

g. Intangible assets

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

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

h. Depreciation and amortization

All property, plant and equipment, except capital work in progress, are depreciated on a written down value

Notes to financial statements for the year ended 31 March, 2025

method as per the useful lives as mentioned in Schedule II of Companies Act, 2013. Residual value is considered as 5% in which case it is considered as per Schedule II. Depreciation is charged proportionately from/to the date of acquisition/disposal.

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

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

The useful life of the assets estimated by the management :

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

*Useful life of fixtures for leasehold property is as per life based on the lease period.

i. Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

❖ **Financial assets carried at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

- The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

❖ **Investments in Mutual Funds**

Mutual funds included within FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

❖ **Investments in security receipts**

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through profit & loss (FVTPL).

j. Fair value measurement

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

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

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

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

Level 2 - Other than quoted prices included within

Notes to financial statements for the year ended 31 March, 2025

Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 - Unobservable inputs for the asset or liability.

k. Financial liabilities**Initial recognition and measurement**

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

Subsequent measurement

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

l. Derecognition of financial assets

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

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

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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

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

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

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

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

As per guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

Notes to financial statements for the year ended 31 March, 2025**m. Derecognition of financial liabilities**

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

f. Hedge Accounting

The Company enters into swap contracts and other derivatives financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

The Company designates their derivatives as hedges of foreign exchange risks associated with the cash flows of loan repayments including interest part.

Cash Flow hedge

A cash flow hedge is a hedge of the exposure to variabilities in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit and loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as hedged item.

Hedge accounting is discontinued when the hedging instruments expires or is sold, terminated, or exercised or when it no longer qualifies for the hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

o. Impairment of financial assets

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

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

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

Stage I

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

Stage II

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

Stage III

All exposures having overdue balances for a period exceeding 90 days are defaults and are classified under this stage (91 to 179 Days DPD and 180+ Days DPD). Accordingly, the Company measures lifetime losses on such exposure. For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Methodology for calculating ECL

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

Notes to financial statements for the year ended 31 March, 2025**Probability of default (PD)**

The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD)

It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD)

It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

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

p. Write-offs

Impaired Loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. However, financial assets that are written off could still be subject to enforcement activities under Company's recovery procedures, taking into account legal advice where appropriate.

q. Leases

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

Company as a lessee

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

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets

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

Lease liabilities

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

Short-term leases

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

r. Share based payment

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

s. Taxes**Current Tax**

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

Notes to financial statements for the year ended 31 March, 2025

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

Deferred Tax

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

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

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

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

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

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

t. Earnings Per Share

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

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to

equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u. Provisions

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

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

v. Contingent liabilities and assets

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

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

w. Cash and cash equivalents

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

x. Cash flow statement

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

Notes to financial statements for the year ended 31 March, 2025**y. Revenue Recognition****Interest Income**

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

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

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

Income from assignment transactions (refer para I of the notes to the account)

Gain arising on assignment transactions is recorded upfront in the statement of Profit and Loss with complete transfer of risks and rewards and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transactions in accordance with Ind AS 109. Further the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition itself as excess interest spread and correspondingly recognised as profit on derecognition of financial asset.

Fees and Commission income

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

Dividend income

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

Recovery from bad debts

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

Recognition of other income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured

at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

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

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

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

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

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

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

Miscellaneous income

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

z. Borrowing Cost

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

Notes to financial statements for the year ended 31 March, 2025**2. CASH AND CASH EQUIVALENTS**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Cash on Hand	68.31	52.40
Balances with Banks in Current accounts	27,234.53	21,408.68
Bank deposit with maturity of less than 3 months	2,500.00	4,000.00
Total	29,802.84	25,461.08

3. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Fixed deposit with bank not considered as cash and cash equivalents*	7,758.12	5,991.33
Total	7,758.12	5,991.33

*Balances with banks to the extent held as margin money or security against the borrowings

4. TRADE RECEIVABLES

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	-	11.93
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	-	11.93

As at March 31 2025

Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 years	Total
(I) Undisputed Trade receivables - considered good"	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-
(Vi) Disputed Trade Receivables – credit impaired	-	-	-	-

As at March 31 2025

Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 years	Total
(I) Undisputed Trade receivables - considered good"	11.93	-	-	11.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-
(Vi) Disputed Trade Receivables – credit impaired	-	-	-	-

Notes to financial statements for the year ended 31 March, 2025

5. LOANS*

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
At Amortised cost		
(A) Term Loans		
Joint liability loans	127,417.08	183,643.02
Less: Impairment loss allowance	(4,308.25)	(4,972.20)
Total - Net	123,108.83	178,670.83
(B) Secured	-	-
Unsecured	127,417.08	183,643.02
Less: Impairment loss allowance	(4,308.25)	(4,972.20)
Total - Net	123,108.83	178,670.83
(C) (i) Loans in india		
(a) Public sector	-	-
(b) Others	127,417.08	183,643.02
Total - Gross	127,417.08	183,643.02
Less: Impairment loss allowance	(4,308.25)	(4,972.20)
Total - Net	123,108.83	178,670.83
(ii) Loans outside india		
Less: Impairment loss allowance	-	-
Total - Net	-	-
Total	123,108.83	178,670.83

*The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are-(a) repayable on demand or (b) without specifying any terms or period of repayment.

5-A PORTFOLIO CLASSIFICATION AS AT MARCH 31, 2025

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
Considered good	125,070.02	1,570.12	-	126,640.14
Considered doubtful	-	-	2,627.15	2,627.15
Total#	125,070.02	1,570.12	2,627.15	129,267.29

#Portfolio at gross amount

*Stage III assets does not contain those loan accounts which are below 90 DPD and fall under NPA Category.

Portfolio classification as at March 31, 2024

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
Considered good	182,230.17	1,378.87	-	183,609.06
Considered doubtful	-	-	2,898.13	2,898.13
Total#	182,230.17	1,378.87	2,898.13	186,507.19

#Portfolio at gross amount

*Stage III assets does not contain those loan accounts which are below 90 DPD and fall under NPA Category.

Notes to financial statements for the year ended 31 March, 2025**Gross Portfolio Movement for the year ended March 31, 2025**

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
Gross carrying amount as at April 1, 2024 (A)	182,230.17	1,378.87	2,898.13	186,507.19
Inter-stage movements				
Stage I	(7,772.32)	3,158.39	4,613.94	-
Stage II	5.01	(38.11)	33.10	-
Stage III	4.42	0.05	(4.46)	-
(B)	(7,762.89)	3,120.32	4,642.57	-
New assets originated, repaid and derecognised during the year (c)	(49,397.27)	(2,929.07)	(4,913.56)	(57,239.90)
Gross carrying amount as at March 31, 2025 (A+B+C)	125,070.02	1,570.12	2,627.15	129,267.29

Gross Portfolio Movement for the year ended March 31, 2024

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
Gross carrying amount as at April 1, 2023 (A)	146,071.52	423.49	774.52	147,269.53
Inter-stage movements				
Stage I	(4,670.35)	1,529.17	3,141.17	-
Stage II	1.29	(79.52)	78.23	-
Stage III	-	0.06	(0.06)	-
(B)	(4,669.06)	1,449.71	3,219.34	-
New assets originated, repaid and derecognised during the year (C)	40,827.72	(494.33)	(1,095.73)	39,237.66
Gross carrying amount as at March 31, 2024 (A+B+C)	182,230.17	1,378.87	2,898.13	186,507.19

ECL Movement for the year ended March 31, 2025

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
ECL allowance as at April 1, 2024 (A)	1,974.10	797.59	2,200.51	4,972.20
Inter-stage movements				
Stage I	(84.80)	33.05	51.75	-
Stage II	2.88	(22.00)	19.12	-
Stage III	2.65	0.03	(2.68)	-
(B)	(79.26)	11.07	68.18	-
New assets originated, repaid and derecognised during the year (C)	(519.26)	133.44	(278.14)	(663.96)
ECL allowance as at March 31, 2025 (A+B+C)	1,375.58	942.10	1,990.55	4,308.25

ECL Movement for the year ended March 31, 2024

(Amount in ₹ Lakhs)

Particulars	Stage I	Stage II	Stage III*	Total
ECL allowance as at April 1, 2023 (A)	1,144.42	211.21	564.73	1,920.36
Inter-stage movements				
Stage I	(51.10)	11.70	39.40	-
Stage II	0.66	(39.74)	39.08	-
Stage III	-	0.04	(0.04)	-
(B)	(50.44)	(28.00)	78.44	-
New assets originated, repaid and derecognised during the year ©	880.12	614.39	1,557.34	3,051.85
ECL allowance as at March 31, 2024 (A+B+C)	1,974.10	797.59	2,200.51	4,972.20

Notes to financial statements for the year ended 31 March, 2025**6. INVESTMENTS**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Investment in Others		
Investment in SR-RARC 073 Trust (Units: 63,597 Face Value - Rs.1,000 per unit, NAV - Rs.1,528 per unit) (Previous year: Units: 67,112 Face Value - Rs.1,000 per unit, NAV - Rs.1,509 per unit)	971.76	1,012.72
Investment in CFMARC TRUST-171 Trust (Units: 6,95,360 Face Value - Rs.1,000 per unit invested in Macrh 25) (Previous year: Nil)	6,953.60	-
(i) Investments outside India	-	-
(ii) Investments in India	7,925.36	1,012.72
Total	7,925.36	1,012.72

7. OTHER FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Spread receivable on assigned portfolio	2,354.82	2,544.49
Security deposits (unsecured, considered good)	112.68	156.08
Interest Accrued but not due on portfolio loans	1,984.14	2,743.19
Interest Accrued but not due on deposits placed with banks	326.65	184.25
Interest Accrued but not due on assigned portfolio & Pass through Certificates	570.26	578.29
Other financial assets	78.51	179.68
Total	5,427.05	6,385.97

8. CURRENT TAX ASSETS (NET)

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Current tax (net of provisions)*	299.57	16.70
Total	299.57	16.70

* includes advance tax of Rs.400.00 lakhs and Tds receivable of Rs.32.68 lakhs net off tax provision of Rs.133.11 lakhs for CY (tax refund of Rs.16.70 lakhs for PY)

9. DEFERRED TAX ASSET (NET)

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Fixed Assets : Impact of difference between tax depreciation & depreciation/amortization charged for the financial reporting	78.30	29.77
Provision of ESOP	-	50.04
Provision against Portfolio Loans	1,084.30	1,073.06
Provision against DA	112.92	60.45
Provision against TR	-	0.00
Gain /loss on Gratuity actuarial valuation transferred to OCI	16.99	11.85
Gain /loss on fair value of Derrivative instrument transferred to OCI	(69.19)	18.63
Gain/loss on SR Investment	(22.74)	(85.98)
Impact of amortised advance cost	464.99	720.85
Impact of ROU asset and Lease liabilities	20.25	-
Impact for Leave Encashment	94.77	57.44
Impact for Gratuity	66.29	38.74
Impact of Direct assignment	(826.12)	(825.53)
Total	1020.75	1,149.32

Notes to financial statements for the year ended 31 March, 2025**10-A. PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS**

(Amount in ₹ Lakhs)

Particulars	Property, plant and equipment (a)							Intangible assets (b)	
	Motor Car & Vehicle	Furniture & Fittings	Computer & System	Office Equipments	Electrical Installation	Lease hold	Total	Softwares	Total
Cost									
As at 1 April 2023	11.54	245.23	757.96	99.55	56.92	-	1,171.22	432.22	432.22
Additions	-	136.91	343.77	57.42	67.26	-	605.35	1,014.36	1,014.36
Disposals	-	0.13	0.13	-	0.23	-	0.49	-	-
As at 31 March 2024	11.54	382.01	1,101.60	156.97	123.95	-	1,776.08	1,446.58	1,446.58
Additions	-	219.87	157.11	141.54	158.88	194.00	871.39	887.91	887.91
Disposals	-	41.97	6.45	13.64	4.47	-	66.54	-	-
As at 31 March 2025	11.54	559.91	1,252.26	284.86	278.36	194.00	2,580.93	2,334.49	2,334.49
Depreciation/amortisation									
As at 1 April 2023	9.37	85.29	389.02	57.32	16.89	-	557.86	161.86	161.86
Depreciation/amortization charge	0.68	55.70	330.27	29.98	18.59	-	435.22	328.18	328.18
Disposal	-	0.09	0.13	-	0.13	-	0.35	-	-
As at 31 March 2024	10.05	140.90	719.16	87.30	35.35	-	992.73	490.04	490.04
Depreciation/amortization charge	0.47	87.56	311.03	63.72	41.98	21.52	526.27	634.63	634.63
Disposal	-	21.98	6.23	10.92	2.27	-	41.39	-	-
As at 31 March 2025	10.52	206.48	1,023.97	140.11	75.05	21.52	1,477.61	1,124.67	1,124.67
Net block value:									
As at 31 March 2024	1.49	241.11	382.44	69.67	88.60	-	783.36	956.54	956.54
As at 31 March 2025	1.02	353.43	228.29	144.76	203.30	172.48	1,103.32	1,209.83	1,209.83

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

10-B. INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development	(Amount in ₹ Lakhs)
As at 1 April 2023	126.97
Additions	238.21
Disposals	249.15
As at 31 March 2024	116.03
Additions	169.68
Disposals	257.26
As at 31 March 2025	28.45

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

Intangible Assets Under Development	< 1 Year	1 - 2 Years	2-3 Years	> 3 Years
As at 31 March 2025				
LUMEN	28.45	-	-	-
Total	28.45	-	-	-

Intangible Assets Under Development	< 1 Year	1 - 2 Years	2-3 Years	> 3 Years
As at 31 March 2024				
LUMEN	116.02	-	-	-
Total	116.02	-	-	-

Notes to financial statements for the year ended 31 March, 2025

10-C. CAPITAL WORK IN PROGRESS

Capital work in progress	(Amount in ₹ Lakhs)
As at 1 April 2023	-
Additions	284.56
Disposals	-
As at 31 March 2024	284.56
Additions	349.07
Disposals	633.63
As at 31 March 2025	-

Intangible Assets Under Development	< 1 Year	1 - 2 Years	2-3 Years	> 3 Years
As at 31 March 2025				
New Head office Furniture & Fixtures	-	-	-	-
Total	-	-	-	-

Intangible Assets Under Development	< 1 Year	1 - 2 Years	2-3 Years	> 3 Years
As at 31 March 2024				
New Head office Furniture & Fixtures	284.56	-	-	-
Total	284.56	-	-	-

11. OTHER NON FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Prepaid expenses	293.59	189.60
Advances to employees	2.33	2.40
Other advances	136.00	91.94
Total	431.92	283.94

12. DERRIVATIVE FINANCIAL INSTRUMENTS

As at March 2025

(Amount in ₹ Lakhs)

Part - I	Notional Amounts	Fair Value of Assets	Notional Amounts	Fair Value of Liabilities
Currency Derrivatives:				
Currency Swaps	12,943.75	200.89	-	-
Total Derrivatives Finanacial Instruments	12,943.75	200.89	-	-

Part - II	Notional Amounts	Fair Value of Assets	Notional Amounts	Fair Value of Liabilities
Included in the above are derivatives held for hedging and risk management purposes as follows(cash flow hedging)				
Currency Swaps	12,943.75	200.89	-	-
Total Derrivatives Finanacial Instruments	12,943.75	200.89	-	-

Derivative Financial Instruments

As at March 2024

(Amount in ₹ Lakhs)

Part - I	Notional Amounts	Fair Value of Assets	Notional Amounts	Fair Value of Liabilities
Currency Derrivatives:				
Currency Swaps	-	-	10,264.75	74.03
Total Derrivatives Finanacial Instruments	-	-	10,264.75	74.03

Notes to financial statements for the year ended 31 March, 2025

Part - II	Notional Amounts	Fair Value of Assets	Notional Amounts	Fair Value of Liabilities
Included in the above are derivatives held for hedging and risk management purposes as follows(cash flow hedging)				
Currency Swaps	-	-	10,264.75	74.03
Total Derivatives Financial Instruments	-	-	10,264.75	74.03

HEDGING ACTIVITIES AND DERIVATIVES

The Company uses Currency Swap to hedge its risks associated with foreign currency risk arising from External Commercial Borrowings.

Currency Swap provides hedging both principle and coupon payment on the underlying exposures.

Cash flow hedges:

The Company uses Currency Swap to hedge its risks associated with foreign currency risk arising from External Commercial Borrowings. Currency Swap provides hedging of both principal and coupon payments on the underlying exposure. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per Ind AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "cash flow hedge reserve". Hedge accounting is discontinued when the hedging instruments expires or is sold, terminated, or exercised or no longer qualifies for hedge accounting.

As at March 2025

(Amount in ₹ Lakhs)

Part - I	Notional Amounts	Carrying amount	Change in fair value*	Cash Flow hedge reserve
The impact of hedging instruments(Net)	12,943.75	13,463.18	200.89	150.33

(* Line item in the statement of financial position-Derivative financial Assets)

As at March 2024

(Amount in ₹ Lakhs)

Part - I	Notional Amounts	Carrying amount	Change in fair value*	Cash Flow hedge reserve
The impact of hedging instruments(Net)	10,264.75	10,422.50	74.03	(55.40)

(**Line item in the statement of financial position-Derivative financial liabilities)

13. TRADE PAYABLES**As at March 2025**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Trade Payables		
(i) Total outstanding dues of creditors Micro enterprises and small enterprises	93.78	339.01
(ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	131.16	334.78
Total	224.94	673.79

As at March 31 2025

Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 years	Total
(i) MSME	93.78	-	-	93.78
(ii) Others	131.16	-	-	131.16
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-

Notes to financial statements for the year ended 31 March, 2025**As at March 31 2024**

Outstanding for following periods from due date of payment	< 6 Months	6 Months - 1 Year	> 1 years	Total
(i) MSME	339.01	-	-	339.01
(ii) Others	334.78	-	-	334.78
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-

14. DEBT SECURITIES

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
At Amortised cost		
Secured debentures	15,833.34	20,776.03
Total	15,833.34	20,776.03
Debt securities in India	15,833.34	20,776.03
Debt securities outside India	-	-
Total	15,833.34	20,776.03

Debt securities (at amortised cost)

Particulars	March 31, 2025	March 31, 2024
Non Convertible Debentures		
Nil (March 31, 2024 3900 Nos), 12.30% (May 6, 2021: 3900 Nos)		
Non Convertible Debentures of Rs 1,00,000/- redeemable in 1 Instalment by May 2024 (Secured)	-	3,900.00
Nil (Mar 31, 2024: 150 Nos) 12.30% (Mar 25, 2022: 150 Nos)		
Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by March 2025 (Secured)	-	1,500.00

Notes to financial statements for the year ended 31 March, 2025

Particulars	March 31, 2025	March 31, 2024
Nil (Mar 31,2024: 2200 Nos) 12.30% (Aug 20, 2021 : 2200 Nos)		
Non Convertible Debentures of Rs 1,00,000/- redeemable in 1 Instalment by August 2024 (Secured)	-	2,200.00
160 Nos, (Mar 31,2024: 160 Nos) 13.80%% (Sept 26, 2022 : 160 Nos)		
Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by September 2026 (Secured)	1,600.00	1,600.00
12,228 Nos, (Mar 31,2024: 12,228 Nos) 12.56% (Nov 24, 2022 : 12228 Nos)		
Non Convertible Debentures of Rs 10,000/- redeemable in 1st Instalment by November 2025 & in 2nd installment by November 2027 (Secured)	1,222.80	1,222.80
12,228 Nos, (Mar 31,2024: 12,228 Nos) 12.56% (Nov 24 26, 2022 : 12228 Nos)		
Non Convertible Debentures of Rs 10,000/- redeemable in 1st Instalment by November 2025 & in 2nd installment by November 2027 (Secured)	1,222.80	1,222.80
320 Nos, (Mar 31,2024: 320 Nos) 13.80% (Dec 12, 2022 : 320 Nos)		
Non Convertible Debentures of Rs 10,00,000/- redeemable in 1st Instalment by December 2025 (Secured)	3,200.00	3,200.00
2500 Nos, (Mar 31,2024: 2500 Nos) 12.65 % (July 28, 2023 : 2500 Nos)		
Non Convertible Debentures of Rs 1,00,000/- redeemable in 1st Instalment by August 2025 (Secured)	2,500.00	2,500.00
2050 Nos, (Mar 31,2024: 2050 Nos) 13.06% (Dec 26, 2023 : 2050 Nos)		
Non Convertible Debentures of Rs 1,00,000/- redeemable in 1st Instalment by January 2027 (Secured)	2,050.00	2,050.00
Nil (Mar 31,2024: 1200 Nos) 11.10% (Mar 28, 2022 : 1200 Nos)		
Non Convertible Debentures of Rs.57,143 (Mar 31,2023 Rs 1,00,000)/- redeemable in 1st Instalment by March 2025. (Secured)	-	685.71
Nil (Mar 31,2024: 1300 Nos) 11.10% (Mar 28, 2022 : 1300 Nos)		
Non Convertible Debentures ofRs. 61,905 (Mar 31,2023 Rs 1,00,000)/- redeemable in 1st Instalment by March 2025. (Secured)	-	742.86
4100 Nos, (Mar 31,2024: Nil) 13.06% (May 28 , 2024 : 4100 Nos) Non Convertible Debentures of Rs. 1,00,000/- redeemable in 1st Instalment by May 2027. (Secured)	4,100.00	-
Unamortised borrowing cost	(62.26)	(48.14)
Total	15,833.34	20,776.03

15. BORROWINGS (OTHER THEN DEBT SECURITIES)

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
At Amortised cost		
(a) Term Loans (Secured)		
(i) from banks	74,301.80	110,137.78
(ii) from other parties (financial institutions)	14,285.49	19,367.83
(b) External commercial borrowing	13,375.56	10,315.77
(C) Cash Credit	794.10	788.37
Total	102,756.95	140,609.76
Borrowings in India	89,381.39	130,293.99
Borrowings Outside India	13,375.56	10,315.77
Total	102,756.95	140,609.76

Notes to financial statements for the year ended 31 March, 2025

16. SUBORDINATED LIABILITIES

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
(a) Term Loans (Unsecured)	7,000.00	7,000.00
(b) Debenture (Unsecured)		
100 Nos (March 22, 2024 100 Nos), 16% (Mar 31,2021: 100)		
Non Convertible Debentures of Rs 10,00,000/- redeemable in 1 Instalment by June, 2026 (Unsecured)	1,000.00	1,000.00
3000 Nos (March 22, 2024 3,000 Nos), 14.5% (Dec 28,2023 :3000 Nos)		
Non Convertible Debentures of Rs 1,00,000/- redeemable in 1 Instalment by May, 2029 (Unsecured)	3,000.00	3,000.00
"Unamortised borrowing cost		
Rs.8.73 lacs for Term loan(unsecured) March 2025 (Rs.11.83 lacs for Term loan (unsecured) March 2024) and balance is against debenture (unsecured)"	(155.26)	(196.08)
Total	10,844.74	10,803.92
Subordinated Liabilities in India	10,844.74	10,803.92
Subordinated Liabilities outside India	-	-
Total	10,844.74	10,803.92

Details of Debt Securities, Borrowing and Subordinated Liabilities and External Commercial Borrowings

Sr. No.	Particulars	Outstanding Amount in lakhs	Terms of Redemption / Repayment	Security
A)	Term Loan from Bank			
1	ICICI Bank	166.67	Repayable in 24 monthly installment from 10.02.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 0 months and 10 days	Secured by hypothecation of book debts created out of the loan availed
2	ICICI Bank	466.67	Repayable in 24 monthly installment from 10.04.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 2 months and 15 days	Secured by hypothecation of book debts created out of the loan availed
3	ICICI Bank	155.56	Repayable in 24 monthly installment from 10.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 2 months and 0 days	Secured by hypothecation of book debts created out of the loan availed
4	Indian Overseas Bank	184.00	Repayable in 28 monthly installment from 28.02.2023 Rate of Interest: Floating Maturity Period:2.3 years No of Installment Due: 2 months and 0 days	Secured by hypothecation of book debts created out of the loan availed
5	IDFC First Bank	833.33	Repayable in 30 monthly installment from 28.02.2023 Rate of Interest: Floating Maturity Period:2.5 years No of Installment Due: 4 months and 28 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

6	IDFC First Bank	416.67	Repayable in 30 monthly installment from 31.03.2023 Rate of Interest: Floating Maturity Period:2.5 years No of Installment Due: 4 months and 21 days	Secured by hypothecation of book debts created out of the loan availed
7	IDFC First Bank	500.00	Repayable in 30 monthly installment from 30.04.2023 Rate of Interest: Floating Maturity Period:2.5 years No of Installment Due: 5 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
8	Federal Bank	437.50	Repayable in 24 monthly installment from 30.04.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 0 months and 12 days	Secured by hypothecation of book debts created out of the loan availed
9	Federal Bank	375.00	Repayable in 24 monthly installment from 31.05.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
10	Federal Bank	125.00	Repayable in 26 monthly installment from 30.06.2023 Rate of Interest: Floating Maturity Period:2.2 years No of Installment Due: 2 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
11	State Bank of Mauritius	250.00	Repayable in 24 monthly installment from 13.07.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 2 months and 14 days	Secured by hypothecation of book debts created out of the loan availed
12	Small Industrial Development Bank of India (SIDBI)	2,344.00	Repayable in 36 monthly installment from 10.07.2023 Rate of Interest: Floating Maturity Period:3 years No of Installment Due: 14 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
13	Small Industrial Development Bank of India (SIDBI)	4,000.00	Repayable in 36 monthly installment from 10.09.2023 Rate of Interest: Floating Maturity Period:3 years No of Installment Due: 14 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
14	Small Industrial Development Bank of India (SIDBI)	1,354.84	Repayable in 36 monthly installment from 10.01.2024 Rate of Interest: Floating Maturity Period:3 years No of Installment Due: 20 months and 28 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

15	Small Industrial Development Bank of India (SIDBI)	3,643.00	Repayable in 36 monthly installment from 10.02.2024 Rate of Interest: Floating Maturity Period:3 years No of Installment Due: 21 months and 16 days	Secured by hypothecation of book debts created out of the loan availed
16	Federal Bank	1,250.00	Repayable in 24 monthly installment from 31.08.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 4 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
17	AU Small Finance Bank	375.00	Repayable in 24 monthly installment from 31.05.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 5 months and 18 days	Secured by hypothecation of book debts created out of the loan availed
18	Utkarsh Small Finance Bank	500.00	Repayable in 24 monthly installment from 01.10.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 5 months and 15 days	Secured by hypothecation of book debts created out of the loan availed
19	Federal Bank	1,250.00	Repayable in 24 monthly installment from 21.09.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 5 months and 20 days	Secured by hypothecation of book debts created out of the loan availed
20	Federal Bank	937.50	Repayable in 24 monthly installment from 30.11.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 7 months and 8 days	Secured by hypothecation of book debts created out of the loan availed
21	Federal Bank	937.50	Repayable in 24 monthly installment from 30.11.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 7 months and 17 days	Secured by hypothecation of book debts created out of the loan availed
22	Bandhan Bank	625.00	Repayable in 23 monthly installment from 01.10.2023 Rate of Interest: Floating Maturity Period:1.9 years No of Installment Due: 3 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
23	Bandhan Bank	937.50	Repayable in 26 monthly installment from 01.11.2023 Rate of Interest: Floating Maturity Period:2.2 years No of Installment Due: 7 months and 1 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

24	Bandhan Bank	937.50	Repayable in 24 monthly installment from 01.01.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 8 months and 29 days	Secured by hypothecation of book debts created out of the loan availed
25	Equitas Small Finance Bank	727.75	Repayable in 24 monthly installment from 05.11.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 5 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
26	ICICI Bank	2,863.64	Repayable in 24 monthly installment from 10.01.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 8 months and 29 days	Secured by hypothecation of book debts created out of the loan availed
27	ICICI Bank	2,181.82	Repayable in 24 monthly installment from 10.08.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 16 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
28	Indian Overseas Bank	5,179.15	Repayable in 27 monthly installment from 27.03.2024 Rate of Interest: Floating Maturity Period:2.3 years No of Installment Due: 13 months and 26 days	Secured by hypothecation of book debts created out of the loan availed
29	Yes Bank	1,833.33	Repayable in 24 monthly installment from 28.03.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 10 months and 28 days	Secured by hypothecation of book debts created out of the loan availed
30	Karur Vysya Bank	1,388.81	Repayable in 27 monthly installment from 30.04.2024 Rate of Interest: Floating Maturity Period:2.3 years No of Installment Due: 14 months and 28 days	Secured by hypothecation of book debts created out of the loan availed
31	Kotak Mahindra Bank	1,799.99	Repayable in 24 monthly installment from 28.04.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 11 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
32	Bank Of Baroda	1,799.36	Repayable in 30 monthly installment from 30.04.2024 Rate of Interest: Floating Maturity Period:2.5 years No of Installment Due: 1.7 months and 30 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

33	State Bank of India	14,308.82	Repayable in 27 monthly installment from 01.06.2024 Rate of Interest: Floating Maturity Period:2.3 years No of Installment Due: 16 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
34	DCB Bank	3,737.61	Repayable in 26 monthly installment from 16.08.2024 Rate of Interest: Floating Maturity Period:2.2 years No of Installment Due: 17 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
35	Federal Bank	750.00	Repayable in 24 monthly installment from 30.09.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 16 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
36	Federal Bank	2,250.00	Repayable in 24 monthly installment from 30.09.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 17 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
37	Federal Bank	1,500.00	Repayable in 24 monthly installment from 31.10.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 17 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
38	Federal Bank	2,625.00	Repayable in 24 monthly installment from 31.10.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 18 months and 17 days	Secured by hypothecation of book debts created out of the loan availed
39	Federal Bank	875.00	Repayable in 24 monthly installment from 30.11.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 19 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
40	IDFC First Bank	1,875.00	Repayable in 24 monthly installment from 31.10.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 17 months and 30 days	Secured by hypothecation of book debts created out of the loan availed
41	IDFC First Bank	1,875.00	Repayable in 24 monthly installment from 31.10.2024 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 18 months and 0 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

42	Bank of Maharashtra	5,004.79	Repayable in 30 monthly installment from 01.04.2025 Rate of Interest: Floating Maturity Period:2.5 years No of Installment Due: 28 months and 29 days	Secured by hypothecation of book debts created out of the loan availed
43	IDFC First Bank	5,000.00	Repayable in 66 monthly installment from 31.05.2023 Rate of Interest: Fixed Maturity Period:5.5 years No of Installment Due: 53 months and 15 days	Unsecured
Total From Term loan from Bank-(A)		80,577.29		
B)	Term loans from NBFC			
1	Shriram Finance Ltd	47.04	Repayable in 24 monthly installment from 05.04.2023 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 0 months and 5 days	Secured by hypothecation of book debts created out of the loan availed
2	Northern Arc Capital Ltd	491.36	Repayable in 24 monthly installment from 05.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 4 days	Secured by hypothecation of book debts created out of the loan availed
3	Tata Capital	62.50	Repayable in 24 monthly installment from 15.05.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 0 months and 15 days	Secured by hypothecation of book debts created out of the loan availed
4	MAS Financial Services Ltd	58.33	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
5	MAS Financial Services Ltd	25.00	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
6	MAS Financial Services Ltd	58.33	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

7	MAS Financial Services Ltd	25.00	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
8	MAS Financial Services Ltd	58.33	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
9	MAS Financial Services Ltd	25.00	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
10	MAS Financial Services Ltd	58.33	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
11	MAS Financial Services Ltd	25.00	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
12	MAS Financial Services Ltd	58.33	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
13	MAS Financial Services Ltd	25.00	Repayable in 24 monthly installment from 23.06.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 1 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
14	Oxyzo Financial Services Pvt Ltd	500.00	Repayable in 24 monthly installment from 05.06.2023 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 2 months and 5 days	Secured by hypothecation of book debts created out of the loan availed
15	Maanaveeya Development & Finance Pvt Ltd (Oiko)	1,312.50	Repayable in 24 monthly installment from 20.01.2025 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 20 months and 19 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

16	Nabsamruddhi Finance Ltd	1,775.58	Repayable in 24 monthly installment from 31.06.2024 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 20 months and 29 days	Secured by hypothecation of book debts created out of the loan availed
17	Oxyzo Financial Services Pvt Ltd	1,833.33	Repayable in 24 monthly installment from 25.01.2025 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 21 months and 0 days	Secured by hypothecation of book debts created out of the loan availed
18	Northern Arc Capital Ltd	2,500.00	Repayable in 24 monthly installment from 05.03.2025 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 22 months and 1 days	Secured by hypothecation of book debts created out of the loan availed
19	Northern Arc Capital Ltd	2,500.00	Repayable in 24 monthly installment from 05.03.2025 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 22 months and 3 days	Secured by hypothecation of book debts created out of the loan availed
20	Arohan Financial Services Limited	3,000.00	Repayable in 24 monthly installment from 25.04.2025 Rate of Interest: Fixed Maturity Maturity Period:2 years No of Installment Due: 23 months and 22 days	Secured by hypothecation of book debts created out of the loan availed
21	Maanaveeya Development & Finance Pvt Ltd (Oiko)	2,000.00	Repayable in 72 monthly installment from 23.01.2022 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 31 months and 23 days	Unsecured
Total From Term Loan from NBFC-(B)		16,438.99		

C) Non-Convertible Debentures (Secured)

1	Japan Asean Women Empowerment Fund SA,SICAV-SIF	1,600.00	Repayable in 36 monthly installment from 27.03.2023 Rate of Interest: Floating Maturity Period:2 years No of Installment Due: 17 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
2	Symbiotics Investments SA	1,222.80	Repayable in 60 monthly installment from 24.05.2025 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 31 months and 24 days	Secured by hypothecation of book debts created out of the loan availed

Notes to financial statements for the year ended 31 March, 2025

3	Symbiotics Investments SA	1,222.80	Repayable in 60 monthly installment from 24.05.2025 Rate of Interest: Fixed Maturity Period:2 years No of Installment Due: 31 months and 24 days	Secured by hypothecation of book debts created out of the loan availed
4	Microfinance Initiative for Asia (MIFA) Debt fund SA,SICAV -SIF	3,200.00	Repayable in 36 monthly installment from 12.06.2025 Rate of Interest: Fixed Maturity Period:3 years No of Installment Due: 8 months and 11 days	Secured by hypothecation of book debts created out of the loan availed
5	Northern Arc Capital Ltd	2,500.00	Repayable in 25 monthly installment from 31.07.2023 Rate of Interest: Fixed Maturity Period:2.1 years No of Installment Due: 4 months and 28 days	Secured by hypothecation of book debts created out of the loan availed
6	Developing World Markets	2,050.00	Repayable in 36 monthly installment from 26.03.2024 Rate of Interest: Fixed Maturity Period:3 years No of Installment Due: 20 months and 25 days	Secured by hypothecation of book debts created out of the loan availed
7	Developing World Markets	4,100.00	Repayable in 36 monthly installment from 28.08.2024 Rate of Interest: Fixed Maturity Period:3 years No of Installment Due: 25 months and 27 days	Secured by hypothecation of book debts created out of the loan availed
Total From Non-Convertible Debentures(Secured)-©)		15,895.60		

D) Non-Convertible Debentures (Unsecured)

1	Northern Arc Capital Ltd	900.00	Repayable in 63 monthly installment from 31.01.2022 Rate of Interest: Fixed Maturity Period:5.3 years No of Installment Due: 14 months and 30 days	Unsecured
2	DISKLAYER TECHNO PVT LTD (NCD TIER-II) (31.03.2021)	20.00	Repayable in 63 monthly installment from 31.01.2022 Rate of Interest: Fixed Maturity Period:5.3 years No of Installment Due: 14 months and 30 days	Unsecured
3	MANISH CHANDRA NIGAM HUF (NCD Tier-II) (31.03.2021)	10.00	Repayable in 63 monthly installment from 31.01.2022 Rate of Interest: Fixed Maturity Period:5.3 years No of Installment Due: 14 months and 30 days	Unsecured

Notes to financial statements for the year ended 31 March, 2025

4	SOFTACULOUS LIMITED (NCD Tier-II) (31.03.2021)	70.00	Repayable in 63 monthly installment from 31.01.2022 Rate of Interest: Fixed Maturity Period:5.3 years No of Installment Due: 14 months and 30 days	Unsecured
5	A K Capital Finance Ltd	3,000.00	Repayble in 65 monthly installment from 31.01.2024 Rate of Interest: Fixed Maturity Period:5.4 years No of Installment Due: 49 months and 27 days	Unsecured
Total From Non-Convertible Debentures(Unsecured)- (D)		4,000.00		
E) External commercial borrowings				
1	Responsability SICAV (LUX)	2,566.35	Repayble in 72 monthly installment from 15.12.2023 Rate of Interest: Fixed Maturity Period:6 years No of Installment Due: 50 months and 14 days	Secured by hypothecation of book debts created out of the loan availed
2	Responsability SICAV (LUX) Micro and SME Finance Leaders	1,283.18	Repayble in 72 monthly installment from 15.12.2023 Rate of Interest: Fixed Maturity Period:6 years No of Installment Due: 50 months and 14 days	Secured by hypothecation of book debts created out of the loan availed
3	responsAbility SICAV (LUX) Micro and SME Finance Debt Fund	2,566.35	Repayble in 72 monthly installment from 15.12.2023 Rate of Interest: Fixed Maturity Period:6 years No of Installment Due: 50 months and 14 days	Secured by hypothecation of book debts created out of the loan availed
4	Japan Asean Women Empowerment Fund SA,SICAV-SIF	4,277.25	Repayble in 48 monthly installment from 27.12.2023 Rate of Interest: Fixed Maturity Period:4 years No of Installment Due: 26 months and 28 days	Secured by hypothecation of book debts created out of the loan availed
5	Grameen Credit Agricole Foundation	2,770.05	Repayble in 48 monthly installment from 11.04.2024 Rate of Interest: Fixed Maturity Period:4 years No of Installment Due: 36 months and 12 days	Secured by hypothecation of book debts created out of the loan availed
Total From External Commercial Borrowings-(E)		13,463.18		

Notes to financial statements for the year ended 31 March, 2025**F) Cash Credit**

1	State Bank of India	794.10	Secured by hypothecation of book debts created out of the loan availed
Total From Cash Credit -(F)		794.10	

G) Hedging

1	Federal Bank	2,075.51	Secured by hypothecation of book debts created out of the loan availed
Total From Hedging Exposure (G)		2,075.51	
GRAND TOTAL (A+B+C+D+E+F)		131,169.15	

Note : Above total borrowing of Rs. 1,31,169.15 lakhs for which no personal guarantee has been given by Deepak Amin.

17. OTHER FINANCIAL LIABILITIES

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Interest Accrued But Not Due on Borrowings	856.87	1,149.04
Dues to the assignees towards collections from assigned receivables	4,736.60	4,742.06
Other Payable	15.83	38.69
Total	5,609.30	5,929.79

18. PROVISIONS

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Provision for gratuity	263.38	153.91
Provision for compensated absences	376.57	228.24
Provision for Expenses	428.94	156.70
Other Provision	65.40	20.26
Total	1,134.28	559.11

19. OTHER NON FINANCIAL LIABILITIES

(Amount in ₹ Lakhs)

Particulars	31 March 2025	31 March 2024
Employee Benefits Payable	1,053.48	602.01
Statutory Dues Payable	134.57	424.00
Total	1,188.05	1,026.01

Notes to financial statements for the year ended 31 March, 2025**20. SHARE CAPITAL**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Authorised Share Capital		
Equity Share		
6,31,80,000 (Mar 31, 2024 6,31,80,000) Equity Shares of Rs 10 each	6,318.00	6,318.00
Preference Share		
2,13,20,000 (Mar 31, 2024 2,13,20,000) Preference Share of Rs 10 each	2,132.00	2,132.00
3,50,00,000 (Mar 31, 2024 3,50,00,000) Preference Share of Rs 20 each	7,000.00	7,000.00
Total Authorised Share Capital	15,450.00	15,450.00
Issued, Subscribed and Fully Paid-up Share Capital		
Equity Share		
2,50,50,009 (Mar 31, 2024: 2,50,50,009) Equity Shares of Rs 10 each	2,505.00	2,505.00
Compulsory Convertible Preference Share		
82,65,801 (Mar 31, 2024 82,65,801) Compulsory Convertible Preference Shares (CCPS Series A) of Rs 10 each bearing coupon dividend rate of 0.001%	826.58	826.58
1,25,61,572 (Mar 31, 2024 1,25,61,572) Compulsory Convertible Preference Shares (CCPS Series A1) of Rs 10 each bearing coupon dividend rate of 0.001%	1,256.16	1,256.16
3,09,59,699 (Mar 31, 2024 3,09,59,699) Compulsory Convertible Preference Shares (CCPS Series B) of Rs 20 each bearing coupon dividend rate of 0.001%	6,191.94	6,191.94
Total Paid up Share Capital	10,779.68	10,779.68

Total Issued, Subscribed and Fully Paid-up Share Capital

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

Particulars	As at March, 31 2025		As at March, 31 2024	
	No. of Shares	(₹)	No. of Shares	(₹)
At the beginning of the Period	25,050,009	2,505.00	25,050,009	2,505.00
Issued During the Period	-	-	-	-
Outstanding at the end of the Period	25,050,009	2,505.00	25,050,009	2,505.00

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

Particulars	As at March 31, 2025		As at March, 31 2024	
	No. of Shares	(₹)	No. of Shares	(₹)
At the beginning of the Period	51,787,072	8,274.68	51,787,072	8,274.68
Issued During the Period	-	-	-	-
Outstanding at the end of the Period	51,787,072	8,274.68	51,787,072	8,274.68

Notes to financial statements for the year ended 31 March, 2025**(b) Details of Shareholders holding more than 5% shares:**

(Amount in ₹ Lakhs)

Class of shares / Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	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	12,899,999	51.50%	12,899,999	51.50%
Kaushik I. Amin	5,888,065	23.51%	5,888,065	23.51%
VAR K NAL Holdings Inc.	5,531,935	22.08%	5,531,935	22.08%
Compulsory Convertible preference shares (CCPS Series A) of Rs.10 each fully paid				
NMI Fund IV KS	2,755,267	5.32%	2,755,267	5.32%
Pettelaar Effectenbewaardbedrijf N.V.	2,755,267	5.32%	2,755,267	5.32%
Agrif Cooperatief UA	2,755,267	5.32%	2,755,267	5.32%
Compulsory Convertible preference shares (CCPS Series A1) of Rs.10 each fully paid				
NMI Fund IV KS	5,491,579	10.60%	5,491,579	10.60%
Pettelaar Effectenbewaardbedrijf N.V.	3,530,630	6.82%	3,530,630	6.82%
Agrif Cooperatief UA	3,539,363	6.83%	3,539,363	6.83%
Compulsory Convertible preference shares (CCPS Series B) of Rs.20 each fully paid				
British International Investment plc	11,628,999	22.46%	11,628,999	22.46%
NMI Fund IV KS	9,985,780	19.28%	9,985,780	19.28%
Pettelaar Effectenbewaardbedrijf N.V.	6,825,723	13.18%	6,825,723	13.18%

(c) Details of Shareholding of Promoters

Class of shares / Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	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	12,899,999	51.50%	12,899,999	51.50%

(d) Compulsory Convertible Preference shares Conversion Terms :

Type of Shares	Conversion Ratio	Conversion period
CCPS Series A	8 Equity shares against 10 CCPS each	At the demand of CCPS holder subject to Reserve Bank of India Approval.
CCPS Series A1	1 Equity shares against 1 CCPS each	The conversion should be done within 20 years from the date of allotment.
CCPS Series B	1 Equity shares against 1 CCPS each	

(e) The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs 10/-. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend as and when declared. All shares rank equally with regard to the Company's residual assets.

Notes to financial statements for the year ended 31 March, 2025**21. OTHER EQUITY**

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Reserve		
Balance as per the beginning of the year	2,668.39	1,413.75
"Add: Amount Transferred from balance in the statement of profit and loss u/s 45 IC of Reserve Bank of India Act, 1934"	86.20	1,254.65
Closing Balance	2,754.60	2,668.39
Security Premium		
Balance as per the last financial statements	18,575.95	18,575.95
Closing Balance	18,575.95	18,575.95
Share Options Outstanding Account		
Balance as per the beginning of the year	198.82	167.86
Add: Reserve added during the year Option Granted	82.75	30.96
Closing Balance	281.58	198.82
Money received against share warrants		
Balance as per the beginning of the year	28.30	-
Add: Share warrant received	-	28.30
Closing Balance	28.30	28.30
Surplus		
Surplus at the beginning of the year	7,729.62	2,711.02
Add: Surplus for the period	636.73	6,217.85
Less: Cash flow hedge reserve	205.72)	55.40
Less: Transfer to Statutory Reserves u/s 45 IC of Reserve Bank of India Act, 1934	(86.20)	(1,254.65)
Closing Balance	8,074.43	7,729.62
Other comprehensive Income		
Surplus at the beginning of the year	(55.40)	-
Cashflow hedge reserve	205.72	(55.40)
Closing Balance	150.33	(55.40)
Total Reserves and Surplus	29,865.18	29,145.69

Nature and purpose of reserve**Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)**

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

Money received against share warrants

On 20th January, 2024, the Company has allotted 42,87,511 share warrants, each exchangeable into 1 equity share of the Company at an exercise price of INR 66/- per share warrants, of which an initial warrant subscription amount of INR 0.66 per share warrant has been received at the time of allotment.

Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Notes to financial statements for the year ended 31 March, 2025**22. INTEREST INCOME**

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
At Amortised Cost		
Interest Income on Portfolio Loans	41,449.45	43,715.70
Total	41,449.45	43,715.70

23. OTHER OPERATING INCOME

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
On Financial assets held at Amortised Cost		
Income on securitization transaction	-	9.68
Interest on assignment transaction	6,215.75	6,736.89
Fees & Commission Income	11.28	254.06
Interest on deposits with banks	514.38	358.29
Total	6,741.41	7,358.92

24. OTHER INCOME

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Unrealised gain on investment in SR	-	90.34
Profit on sale of mutual fund units		
Realised	1,257.08	783.87
Profit on sale of fixed assets	0.01	0.02
Miscellaneous Income	45.05	8.55
Total 1,302.15	882.78	

25. FINANCE COST

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
At Amortised Cost		
Interest on debt securities	2,481.35	2,662.65
Interest on Borrowings	14,012.64	15,466.94
Interest on subordinate liabilities	1,668.44	624.85
Interest on External commercial borrowing	1,333.18	874.72
Lease liability interest obligation	84.26	58.78
Foreign Exchange Fluctuation	363.78	157.75
Other charges	852.54	800.11
Total	20,796.18	20,645.80

26. IMPAIRMENT OF FINANCIAL INSTRUMENTS

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Impairment/(Reversal) of Impairment on Financial Instruments*	(457.28)	3,199.03
Net loss on derecognition of financial instruments under amortised cost category#	5,440.17	2,156.65
Total	4,982.89	5,355.68

*Includes impairment provision on loan & advance of (Rs.663.94 lakhs) , provision on trade receivable of (Rs.0.01 lakhs)and provision on other financial assets of Rs.206.67 lakhs for current year.

Impairment provision on loan & advance of Rs.3051.82 lakhs , provision on trade receivable of (Rs.1.39 lakhs)and provision on other financial assets of Rs.148.60 lakhs for previous year.

#The net loss on derecognition of financial instruments amounts to Rs. 5,440.17 lakhs, from a total write-off of Rs. 10,089.21 lakhs after adjusting for gain of Rs. 4,649.04 lakhs from the ARC transaction, in the current year (net loss on derecognition of financial instruments is of Rs.2,122.17 lakhs in previous year).

Notes to financial statements for the year ended 31 March, 2025**27. EMPLOYEE BENEFIT EXPENSE**

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Salaries and wages	14,502.20	10,935.48
Contribution to provident and other funds	1,259.25	908.58
Expense on Employee Stock Option Scheme (ESOP)	82.75	30.96
Staff Welfare Expenses	554.62	523.09
Total	16,398.82	12,398.11

28. DEPRECIATION & AMORTIZATION EXPENSES

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
On property, plant and equipment	526.27	435.22
On intangible assets	634.63	328.18
On right of use assets	217.28	155.42
Total	1,378.18	918.82

29. OTHER EXPENSES

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Advertisement Expenses	0.79	2.38
Communication Expenses	399.83	235.89
Travelling & Conveyance Expenses	1,899.51	1,522.79
Corporate Social Responsibility Expenses	79.52	36.61
Electricity Expenses	83.90	58.50
Insurance Expenses	7.87	6.14
Office Expenses	272.35	258.45
Legal Expenses	3.74	3.81
Postage & Courier	54.74	60.73
Professional Fees	1,076.18	1,157.35
Rent Expenses	554.59	460.44
Repairs & Maintenance Expenses	45.14	59.42
Rates and Taxes	378.55	387.55
Stationery and Printing Expenses	44.12	66.62
Payment to Auditors (as per note below)	27.59	32.71
Director Sitting Fees	22.50	24.70
Loss on investment in SR	5.83	-
Miscellaneous Expenses	239.10	228.67
Total	5,195.87	4,602.76

Breakup of Payments to Auditors

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Statutory Audit Fee	12.50	14.20
Limited review Fee	6.50	8.00
Tax Audit Fee	1.50	2.00
Certification Fee	5.45	5.30
Other matters	1.64	3.21
TOTAL	27.59	32.71

Notes to financial statements for the year ended 31 March, 2025

NOTE 30: NOTES TO ACCOUNTS

A. Tax expenses

(Amount in ₹ Lakhs)

Income tax recognised in the Statement of Profit and Loss:	2024-2025	2023-2024
Current tax	133.11	2,576.66
Deferred tax (credit)	76.37	(885.10)
Tax expense of earlier years	50.06	36.18
Total	259.53	1,727.74

(Amount in ₹ Lakhs)

Income tax recognised in other comprehensive income	2024-2025	2023-2024
Deferred tax arising on re-measurement gain on defined benefit plans.	16.99	11.85
Deferred tax arising on derivative financial instruments.	(69.19)	18.63
Total	(52.20)	30.48

(Amount in ₹ Lakhs)

Reconciliation of income tax expense and the accounting profit for the year:	2024-2025	2023-2024
Profit/ (loss) before tax	741.05	8,036.23
Enacted tax rates (%)	25.17%	25.17%
Income tax expense calculated at corporate tax rate	186.51	2,022.56
Reconciliation items		
Tax impact of expenses not deductible/ additional tax allowance	(53.40)	832.00
Impact of tax relating to the earlier year	50.06	36.18
NCD Expenses deductible	-	-
Impact on account of deductions claimed under Income Tax Act	-	(277.89)
Others – Deferred Tax	76.37	(885.10)
	259.53	1,727.74

B. Earnings per Share

(Amount in ₹ Lakhs)

Particulars	2024-2025	2023-2024
(a) Net profit after tax as per Statement of Profit and Loss	481.52	6,308.48
(b) Weighted average number of equity shares for basic EPS	250.50	250.50
(c) Weighted average number of equity shares for diluted EPS	761.77	761.87
(d) Basic Earnings per Share (in rupees) (a/b)	1.92	25.18
(e) Diluted Earnings per Share (in rupees) (a/c)	0.74	8.32

C. Foreign Currency Transactions

(Amount in ₹ Lakhs)

Particulars	Currency	2024-2025	2023-2024
Expenditure in Foreign Currency- MIS Infrastructure	US Dollars	1,43,869.73	1,35,080.00
Expenditures and other Expenses	Euro	396.00	495.00
	Indian Rupees (in lakh)	121.91	120.27
Expenditure in Foreign Currency- processing Fees and other finance charges	US Dollars	49,075.00	99,629
	Indian Rupees (in lakh)	41.00	90.30
Expenditure in Foreign Currency-Finance cost(interest)	US Dollars	12,76,950.96	6,41,382
	Euro	1,29,904.11	
	Indian Rupees (in lakh)	1,194.05	533.10
Earning in Foreign Currency	-		

Notes to financial statements for the year ended 31 March, 2025**D. Segment Reporting**

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

E. Lease

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

(Amount in ₹ Lakhs)

Particulars	2024-2025	2023-2024
Balance at the beginning of the year	332.85	488.27
Modification in Lease term		
Additions made during the year	926.67	-
Depreciation charged during the year	(217.28)	(155.42)
Balance at the end of the year	1042.24	332.85

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

(Amount in ₹ Lakhs)

Particulars	2024-2025	2023-2024
Balance at the beginning of the period	414.85	558.77
Modification in Lease term		
Additions made during the year	888.39	-
Interest accretion for the year	84.26	58.78
Payments made during the year	264.81	202.70
Balance at the end of the year	1122.69	414.85

Total lease liabilities are analysed as follows:

(Amount in ₹ Lakhs)

Particulars	2024-2025	2023-2024
Current	75.39	136.86
Non-Current	1047.30	277.99
Total	1122.69	414.85

The followings are the amounts recognised in profit and loss:

(Amount in ₹ Lakhs)

Particulars	2024-2025	2023-2024
Depreciation expense in respect of right-of-use-of-asset	217.28	155.42
Interest Expense in respect of lease liabilities	84.26	58.78
Total amount recognised in profit and loss	301.54	214.20
Balance at the end of the year	1122.69	414.85

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

(Amount in ₹ Lakhs)

Maturity Analysis	2024-2025	2023-2024
Less than 1 year	75.39	136.86
Between 1 and 2 years	88.50	130.24
Between 2 and 5 years	958.80	147.74
Total	1122.69	414.85

Notes to financial statements for the year ended 31 March, 2025**F. Related Party Disclosures**

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

Sr. No.	Name	Relationship
1.	Mr. Deepak Amin	Managing Director
2.	Mr. Rakesh Kumar	Chief Executive Officer and Executive Director
3.	Mr. Aviral Saini	Chief Financial Officer and Executive Director
4.	Mr. Chandan Sinha (upto August 14, 2024)	Independent Director
5.	Mr Anuj Kumar	Independent Director
6.	Mr. Parveen Kumar Gupta (upto June 7,2023)	Independent Director
7.	Mrs. Daksha Shah (from 12th August, 2024)	Independent Director
8.	Mr. Aditya Bhandari (upto April 8, 2025)	Nominee Director
9.	Mr. Thomas Klungsøyr (upto June 27,2024)	Nominee Director
10.	Mr. Hemant Contractor (upto January 3, 2024)	Additional Independent Director
11.	Ms. Parul Hariharan (from November 12, 2024)	Nominee Director
12.	Mr. Arvind Kodikal (from February 11, 2025)	Nominee Director
13.	Mr. Paresh Vora (from February 11, 2025)	Additional Independent Director
14.	Ms. Madhavi Gajjar	Company Secretary and Chief Compliance Officer

Transactions with related parties

Related party	Nature of Transactions	Transactions		(Payable)/Receivables	
		2024-25	2023-24	2024-25	2023-24
Mr. Chandan Sinha	Sitting Fees	6.00	9.10		Nil
Mr Anuj Kumar	Sitting Fees	12.50	11.00		Nil
Mr. Parveen Kumar Gupta	Sitting Fees	-	1.90		Nil
Mr. Hemant Contractor	Sitting Fees	-	2.70		Nil
Mrs. Daksha Shah	Sitting Fees	4.00	-		Nil
Mr. Deepak Amin	Salary + Incentive	253.00	174.42		Nil
Mr. Rakesh Kumar	Salary + Incentive	215.03	178.70		Nil
Mr. Aviral Saini	Salary + Incentive	186.33	150.35		Nil
Ms. Madhavi Gajjar	Salary + Incentive	18.88	11.98		Nil

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

G. Revenue from Contracts with Customers

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

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Type of Income		
Others	11.28	254.06
Total revenue from contracts with customers	11.28	254.06
Geographical markets		
India	11.28	254.06
Outside India	-	-
Total revenue from contracts with customers	11.28	254.06
Timing of revenue recognition		
Services transferred at a point in time	11.28	254.06
Services transferred over time	-	-
Total revenue from contracts with customers	11.28	254.06

Notes to financial statements for the year ended 31 March, 2025**H. Contingent Liabilities & Capital commitments**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
(A) Contingent Liabilities		
Performance Security provided by the Company pursuant to business Correspondent / service provider agreement	Nil	Nil
Cash collateral given and outstanding for the assigned Loans	Nil	Nil
Claims against the Company not acknowledged as debt:		
- Tax matter in dispute under appeal	Nil	Nil
(B) Capital Commitments		
- Capital work in progress- Nil as on 31st March 2025 and contract remaining to be executed and amount not provided of Rs. 278.56 lakh out of total estimated project cost of Rs. 519.71 lakh as on 31st March 2024.	Nil	278.56

I. Fair Value Measurement**Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly/indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy of Asset and Liabilities measured at fair value

Particulars	As at March 31, 2025		
	Level 1	Level 2	Level 3
At fair value through OCI			
Derivative Assets Forward currency swaps	-	200.89	-
At fair value through Profit and Loss			
Investments			
- Security Receipts	-	-	7,925.36
- Mutual Funds	-	-	-
Total	-	200.89	7925.36

Particulars	As at March 31, 2024		
	Level 1	Level 2	Level 3
At fair value through OCI			
Derivative Liabilities Forward currency swaps	-	74.03	--
At fair value through Profit and Loss			
Investments			
-Security Receipts	-	-	1,012.72
-Mutual Funds	-	-	-
Total	-	74.03	1,012.72

Fair Value hierarchy of Asset and Liabilities not measured at fair value

The management assessed that carrying value of financial asset and financial liabilities are a reasonable approximation of their fair value and hence carrying values are deemed to be fair values.

Notes to financial statements for the year ended 31 March, 2025**J. Capital Management**

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

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

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

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Debts	1,29,435.04	1,72,189.71
Total equity	40,644.86	39,925.37
Debt to equity ratio	3.18	4.31

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

K. Retirement benefits

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

(i) Defined Contribution Plans**Provident and other funds**

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

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Employers' contribution to provident and other fund	1,326.76	955.66

(ii) Defined Benefit Plan**Gratuity**

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

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

Movement in Defined Benefit Obligations

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Defined benefit obligations as at the beginning of Year	208.69	156.90
Current Service Cost	31.02	20.02
Interest on defined benefit obligations	14.84	11.44
Re-measurements - Actuarial (Gain)/Loss on total Liabilities	64.08	45.06
Benefits paid	(28.84)	(24.73)
Defined benefit obligations as at the end of Year	289.78	208.69

Notes to financial statements for the year ended 31 March, 2025**Amount recognised in balance sheet**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present Value of Benefit Obligation at the end of the Period	(289.78)	(208.69)
Fair value of plan assets at the end of the period	26.40	54.78
Funded Status (Surplus/ (Deficit))	(263.38)	(153.91)
Net defined benefit liability recognised in balance sheet	(263.38)	(153.91)

Expense charged to the statement of profit and loss

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	31 March 2024
Current service cost	31.02	20.02
Net Interest Cost	10.94	5.90
Expenses Recognized	41.96	25.92

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

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Actuarial (Gains)/Losses on Obligation For the Period	64.08	45.07
Return on Plan Assets, Excluding Interest Income	3.42	2.01
Change in Asset Ceiling	Nil	Nil
Net (Income)/Expense For the Period Recognized in OCI .51	47.08	

Summary of Actuarial Assumptions

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.54%	7.11%
Rate of Increase in compensation levels	7.00%	7.00%
Retirement age (years)	60 years	60 years

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Defined Benefit Obligation on Current Assumptions	289.78	208.69
Delta Effect of +1% Change in Rate of Discounting	(3.96)	(2.60)
Delta Effect of -1% Change in Rate of Discounting	4.14	2.70
Delta Effect of +1% Change in Rate of Salary Increase	3.67	2.25
Delta Effect of -1% Change in Rate of Salary Increase	(3.58)	(2.20)
Delta Effect of +1% Change in Rate of Employee Turnover	(3.08)	(1.62)
Delta Effect of -1% Change in Rate of Employee Turnover	3.18	1.68

Notes to financial statements for the year ended 31 March, 2025**Maturity Profile of Defined Benefit Obligation**

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
1st Following Year	105.23	86.34
2nd Following Year	81.40	51.60
3rd Following Year	48.80	37.58
4th Following Year	34.21	22.47
5th Following Year	23.80	15.36
Sum of years 6 to 10	25.86	16.64
After 11 years and above	1.14	0.72

Discount rate: The discount rate is based on government bond yields as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimate of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

L. Micro, Small and Medium Enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below.

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year;	93.78	339.01
(b) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	NIL	NIL
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

M. Risk Management & financial objectives.

Risk is an integral part of the Company's business and sound risk management is critical to its success. The Company's activities are exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company continuously identifies potential risks in advance, analyzes them and takes precautionary steps to reduce/curb the risk. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Notes to financial statements for the year ended 31 March, 2025

The Company assumes following risks (i.e. Credit risk, Liquidity risk, Market risk and Operation risk) in the normal course of business.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk.

The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; socio-economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet the company's criteria.

The Company is a rural focused NBFC with a geographically diversified presence in India and offers income generation loans under the joint liability group model, predominantly to women from low-income households in rural areas. Further, as it focuses on providing micro-loans in rural areas, The Company's results of operations are affected by the performance and the future growth potential of microfinance in rural India. The Company's clients typically have limited sources of income, savings and credit histories and the loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

(Amount in ₹ Lakhs)

Particulars	31 March 2025	31 March 2024
Loans	1,23,108.83	1,78,670.83
Trade receivable	-	11.93
Other Financial Assets	5,427.05	6,385.97

Liquidity Risk

Liquidity risk is defined as the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company consistently forecast cash flows and accordingly generates sufficient cash flows to meet its financial obligations as and when they fall due. The Company has obtained funding lines from multiple sources, including from borrowings, debt securities, subordinated liabilities to maintain a healthy mix of sources. The Company also manages liquidity by raising funds through Securitisation / assignment transactions.

The maturity schedule for all financial liabilities is regularly reviewed and monitored. Company has an Asset Liability Management (ALM) policy and has constituted an ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement.

Maturity pattern of Liabilities as on March 31, 2025

(Amount in ₹ Lakhs)

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Total
Borrowing*	7,752.18	7,080.83	7,080.83	20,613.26	31,113.45	47,112.01	8,682.47	1,29,435.04

* Borrowing includes debt securities and subordinated liabilities

Notes to financial statements for the year ended 31 March, 2025**Maturity pattern of Liabilities as on March 31, 2024**

(Amount in ₹ Lakhs)

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Total
Borrowing*	8,713.90	12,224.25	8,578.12	26,826.34	42,626.27	59,272.53	13,948.30	1,72,189.70

* Borrowing includes debt securities and subordinated liabilities

- Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return. The Company is exposed to following types of market risks:

- Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. The Company's ALM Committee evaluates the maturities of assets and liabilities and ensures that all significant mismatches, if any, are being managed appropriately. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

- Price risk**

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

- Foreign Currency risk**

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowings (ECB). The ECB are governed by RBI guidelines. The Company hedges its entire ECB exposure for the full tenure of the ECB.

The Company manages its currency risks by entering into derivative contracts as hedge positions. The Company's exposure of foreign currency risk at the end of the reporting period expressed as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Hedged		
Liability-External Commercial Borrowings	1,25,00,000 USD 30,00,000 EURO	1,25,00,000 USD
Assets-Cross Currency Interest rate Swap Contract	1,25,00,000 USD 30,00,000 EURO	1,25,00,000 USD

- Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The company recognises that operational risk event types that have the potential to result in substantial losses includes Internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

Notes to financial statements for the year ended 31 March, 2025

The company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

N. Transfer of Financial Assets

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets. In accordance with the accounting policy, the transferred financial assets continue to be recognised or derecognised as per the conditions specified in Ind AS 109 "Financial Instruments".

Securitisation Transaction:

During the period, the Company has entered into securitisation arrangement. Under such arrangement, the Company retains substantial risks and rewards of such loan transferred and accordingly, does not derecognise the loans transferred in its entirety and recognises an associated liability for the consideration received.

The value of financial assets and liabilities as on:

(Amount in ₹ Lakhs)

Particulars	31 March 2025	31 March 2024
Carrying amount of transferred assets measured at amortised cost	-	-
Carrying amount of associated liabilities	-	-

O. Expenditure on Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable to the Company and necessary expenses has been made as mentioned below:

(Amount in ₹ Lakhs)

Particulars	31 March 2025	31 March 2024
a) Gross amount required to be spent by the Company during the year	79.52	36.59
b) Amount of Expenditure incurred		
(i) Construction/acquisition of any asset		
(ii) On purpose other than (i) above	79.52	36.61
c) Shortfall at the end of the year (a-b)	Nil	
Total of previous years short fall	Nil	
Reason for shortfall of CSR expenditure		
Nature of CSR activities	1. Child Education 2. Health Checkup Camp 3. Women Empowerment	1. Child Education 2. Health Checkup Camp 3. Women Empowerment
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.	Nil	
Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movements in the provision during the year should be shown separately.	Nil	

Notes to financial statements for the year ended 31 March, 2025**P. Maturity analysis of assets and liabilities****Maturity analysis of assets and liabilities as at March 31, 2025**

(Amount in ₹ Lakhs)

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	29,802.84	-	29,802.84
Bank balances other than cash and cash equivalents	6,365.62	1,392.50	7,758.12
Derivative Financial Instruments	-	200.89	200.89
Trade Receivables	-	-	-
Loan portfolio	82,153.00	40,955.82	1,23,108.83
Investments	-	7,925.36	7,925.36
Other financial assets	5,348.54	78.51	5,427.05
Total financial assets	1,23,670.00	50,553.08	1,74,223.08
Non-financial assets			
Current tax assets (net)	-	299.57	299.57
Deferred tax assets (net)	-	1,020.75	1,020.75
Property, plant and equipment	-	1,103.32	1,103.32
Capital work in progress	-	-	-
Right of Use	144.18	898.06	1,042.24
Intangible assets under development	28.45	-	28.45
Other Intangible assets	-	1,209.83	1,209.83
Other non-financial assets	-	431.92	431.92
Total non-financial assets	172.63	3,970.45	5,136.08
Total assets	1,23,842.63	54,523.53	1,79,359.16
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative Financial Instruments	-	-	-
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	93.78	-	93.78
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	131.16	-	131.16
Debt securities*	8,511.89	7,321.46	15,833.34
Borrowings (other than debt securities)*	65,128.67	37,628.29	1,02,756.95
Subordinated liabilities*	-	10,844.74	10,844.74
Other financial liabilities	-	5,609.30	5,609.30
Lease liabilities	75.39	1,047.30	1,122.69
Total financial liabilities	73,940.89	62,451.09	1,36,391.98
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	1,134.28	-	1,134.28
Other non-financial liabilities	1,188.05	-	1,188.05
Total non-financial liabilities	2,322.33	-	2,322.33
EQUITY			
Equity share capital	-	10,779.68	10,779.68
Other equity	-	29,865.18	29,865.18
Total equity	-	40,644.86	40,644.86
Total liabilities and equity	76,263.22	1,03,095.95	1,79,359.17

*All borrowings are disclosed based on the contractual maturities. There is no covenant breaches.

Notes to financial statements for the year ended 31 March, 2025**A. Maturity analysis of assets and liabilities****Maturity analysis of assets and liabilities as at March 31, 2024**

(Amount in ₹ Lakhs)

Particulars	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	25,461.07	-	25,461.07
Bank balances other than cash and cash equivalents	4,066.75	1,924.58	5,991.33
Trade Receivables	11.93	-	11.93
Loan portfolio	1,04,734.71	73,936.12	1,78,670.83
Investments	-	1,012.72	1,012.72
Other financial assets	4,946.71	1,439.26	6,206.30
Total financial assets	1,39,221.17	78,312.68	2,17,533.85
Non-financial assets			
Current tax assets (net)	16.70	-	16.70
Deferred tax assets (net)	-	1,149.32	1,149.32
Property, plant and equipment	-	783.35	783.35
Capital work in progress	-	284.56	284.56
Right of Use	128.60	204.25	332.85
Intangible assets under development	116.04	-	116.03
Other Intangible assets	-	956.54	956.54
Other non-financial assets	283.94	-	283.94
Total non-financial assets	545.28	3,378.02	3,923.29
Total assets	1,39,766.45	81,690.70	2,21,457.16
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative Financial Instruments	-	74.03	74.03
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	339.01	-	339.01
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	334.78	-	334.78
Debt securities*	9007.70	11768.33	20,776.03
Borrowings (other than debt securities)*	89,961.18	50,648.58	1,40,609.76
Subordinated liabilities*	-	10,803.92	10,803.92
Other financial liabilities	5,929.79	-	5,929.79
Lease liabilities	136.86	277.98	414.84
Total financial liabilities	1,05,709.32	73,572.84	1,79,282.16
Non-financial liabilities			
Current tax liabilities (net)	-	664.51	664.50
Provisions	559.11	-	559.11
Other non-financial liabilities	1,026.00	-	1,026.00
Total non-financial liabilities	1,585.11	664.51	2,249.61
EQUITY			
Equity share capital	-	10,779.68	10,779.68
Other equity	-	29,145.70	29,145.70
Total equity	-	39,925.38	39,925.38
Total liabilities and equity	1,07,294.43	1,14,162.73	2,21,457.16

*All borrowings are disclosed based on the contractual maturities. There is no covenant breaches.

Notes to financial statements for the year ended 31 March, 2025**Q. Disclosure of investing and financing activities that do not require the use of cash and cash equivalents**

For the year ended March 31, 2025

(Amount in ₹ Lakhs)

Name of Instrument	Opening	Cash flows	Others	Closing
Debt Securities	20,776.03	(4,928.57)	(14.12)	15,833.34
Borrowings (other than debt securities)	1,40,609.76	(37,378.55)	(114.25)	1,02,756.95
Sub-debt	10,803.92	-	40.82	10,844.74
Total	1,72,189.71	(42,667.12)	(87.55)	1,29,435.04

Disclosure of investing and financing activities that do not require the use of cash and cash equivalents

For the year ended March 31, 2024

(Amount in ₹ Lakhs)

Name of Instrument	Opening	Cash flows	Others	Closing
Debt Securities	20,720.60	103.57	(48.14)	20,776.03
Borrowings (other than debt securities)	1,07,552.78	33,464.89	(407.92)	1,40,609.76
Sub-debt	3,000.00	8,000.00	(196.08)	10,803.92
Total	1,31,273.38	41,568.46	(652.14)	1,72,189.71

R. Share based payment

Pursuant to a resolution passed by the members holding Equity shares vide Extra ordinary General Meeting held on June 23, 2018, the Company has approved "LMF Employee Stock Option Plan 2018". The Company has made amendment in the ESOP scheme 2018 vide board meeting dated May 20, 2021, and further amended and approved by the shareholders vide an ordinary resolution dated January 17, 2024. The Plan covers 61,27,511 options. The plan allows the issue of options to employees of the company which are convertible to one equity share of the company.

During the year ended March 31, 2025, the following stock option grants were in operation:

(Amount in ₹ Lakhs)

Name of Instrument	Cash flows	Others	Closing
1 Date of Grant	23/06/2018	15/06/2021	17/01/2024
2 No. of options granted	9,84,400	5,02,000	28,13,380
3 No of employees to whom such options were granted	4	35	41
4 Method of Settlement	Equity/Cash	Equity/Cash	Equity/Cash
5 Graded Vesting period:			
at the end of year 1	20%	20%	20%
at the end of year 2	20%	20%	20%
at the end of year 3	20%	20%	20%
at the end of year 4	20%	20%	20%
at the end of year 5	20%	20%	20%
Subject to any other terms as stipulated in the LMF Employee Stock Option Plan 2018	Performance based vesting	Performance based vesting	Performance based vesting
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.		
8 Average remaining contractual life (Years)	-	1.25	3.75
9 Average exercise price per option (₹)	10.63	37.70	66.00

Notes to financial statements for the year ended 31 March, 2025

Particulars	Year ended on March 31, 2025	Year ended on March 31, 2024
Employee Stock Option Plan 2018		
Employee Stock Option outstanding at beginning of the year	42,16,380	14,86,400
Granted during the year	-	28,13,380
Forfeited during the year		
Exercised during the year		
Expired during the year	2,21,600	83,400
Outstanding during the year	39,94,780	42,16,380
Exercisable at the end of the year		

Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by the independent valuer on the date of grant using Black-Scholes Merton formula. The key assumptions and the Fair value are as :

Name of Instrument	ESOP – I	ESOP – II	ESOP – III
Risk Free Interest Rate(%)	8.25%	5.43% to 5.91%	3.52% to 5.35%
Option Life (years)	5 years	5 years	5 years
Historical Volatility	50.00%	50.00%	50.00%
Expected Volatility	-	-	-
Expected Dividend yield (%)	0.00%	0.00%	0%

S. Additional Regulatory Information

- The Company does not hold any immovable property as on March 31, 2025 and March 31, 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.
- No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, as at March 31, 2025 and March 31, 2024.
- The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.
- The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2025 and March 31, 2024.
- There was no delay in the registration or satisfaction of any charges with Registrar of Companies during the year ended March 31, 2025 and March 31, 2024.
- The company does not have any investment in any subsidiary company. Therefore, there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2025 and March 31, 2024..
- The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.
- The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2025 are held by the Company in the form of deposits and invested in short term fund till the time the utilisation is made subsequently.
- There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2025 and March 31, 2024., in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2025 and March 31, 2024..

Notes to financial statements for the year ended 31 March, 2025

- xi. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024..
- xii. Other than the transactions that are carried out as part of Company' normal lending business:
- A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall –
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall –
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Additional Disclosures required by the Reserve Bank of India

(Figures in the below disclosures are as per Ind AS financial statements except otherwise stated)

T. Capital to Risk Assets Ratio ('CRAR')

(Amount in ₹ Lakhs)

Particulars	31 March 2025	31 March 2024
i) CRAR	33.34%	25.90%
ii) CRAR – Tier I Capital	26.47%	19.68%
iii) CRAR – Tier II Capital	6.88%	6.21%
iv) Amount of Subordinated debt raised as capital Tier-II capital	-	8,000
v) Amount raised by issuing perpetual debt instrument	Nil	Nil

U. Investments

(Amount in ₹ Lakhs)

Sr. No.	Particulars	31 March 2025	31 March 2024
(1)	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	7925.36	1012.72
(b)	Outside India	Nil	Nil
(ii)	Provisions for Depreciation		
(a)	In India	Nil	Nil
(b)	Outside India	Nil	Nil
(iii)	Net Value of Investments		
(a)	In India	7925.36	1012.72
(b)	Outside India	Nil	Nil
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	Nil	Nil
(ii)	Add: Provisions made during the year	Nil	Nil
(iii)	Less Write-off/ write-back of excess	Nil	Nil
(iv)	Closing Balance	Nil	Nil

Notes to financial statements for the year ended 31 March, 2025**V. Derivatives:**

The Company's activities expose it to the financial risk of changes in foreign exchange rates. The Company uses derivative contracts such as currency swap to hedge its exposure to movements in foreign exchange. The use of these derivative contracts reduces the risk to the Company and the Company does not use those for trading or speculation purposes. The company uses hedging instruments. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-mark on its portfolio is monitored regularly by the senior management.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive market to market value) or as liabilities when the fair value is negative (negative market to market value). Derivative assets and liabilities are recognised on the balance sheet at fair value. Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. Fair value of derivative is ascertained by mark to market value received from the counter -Party Bank. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting.

Quantitative Disclosure:

(Amount in ₹ Lakhs)

Sr. No.	Particulars	31 March 2025	31 March 2024
i) Derivatives (Notional Principle Amount)		12,943.75	10,264.75
ii) Market to Market positions		200.89	(74.03)
(a) Assets (+) 200.89		-	
(b) Liabilities (-)		-	(74.03)
iii) Credit Exposure		Nil	Nil
iv) Unhedged Exposures		Nil	Nil

W. Disclosures relating to securitisation

During the year the Company has sold loans through securitisation. The information on securitisation activity is as below :

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Total number of loans securitised during the year	Nil	Nil
Total book value of loans securitised during the year	Nil	Nil
Sale consideration received for loans securitised	Nil	Nil
Credit enhancements provided and outstanding (Gross) as at balance sheet date	Nil	Nil
Interest subordination	Nil	Nil
Principal subordination	Nil	Nil
Cash Collateral	Nil	Nil

(Amount in ₹ Lakhs)

Sr. No.	Particulars	31 March 2025	31 March 2024
1	No. of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2	Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on date of balance sheet:	Nil	Nil
3	Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on date of balance sheet:	Nil	
a)	Off balance sheet exposures		
	- First loss	Nil	Nil
	- Others	Nil	Nil
b)	On balance sheet exposures (cash collateral and over collateral)		
	- First loss	Nil	Nil
	- Others	Nil	Nil

Notes to financial statements for the year ended 31 March, 2025

(Amount in ₹ Lakhs)

Sr. No.	Particulars	31 March 2025	31 March 2024
4	Amount of exposures to other than MRR:		
	a) Off balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	ii) Exposure to third party securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	b) On balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil
	ii) Exposure to third party securitisations		
	- First loss	Nil	Nil
	- Others	Nil	Nil

X. Details of assignment transaction undertaken

The Company has assigned loans by way of direct assignment. As per terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet.

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Spread receivable on assignment portfolio' with a corresponding profit on derecognition of financial asset.

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
No. of loans	1,50,572	1,15,670
Aggregate value of loans assigned	63,703.86	56,102.05
Aggregate consideration received	57,333.48	50,491.84
Income recognized in the statement of profit and loss	6,215.75	6,736.89
Cash collateral	Nil	Nil

Y. Details of financial assets sold to Securitisation / Reconstruction Company for asset reconstruction

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Total number of loans	44716	Nil
Aggregate principal outstanding of loans transferred (Rs. In lakhs)	15,509.64	Nil
Weighted average residual maturity (in months)		Nil
Net book value of loans transferred (at the time of transfer)	3,350.96	Nil
Aggregate Consideration	8,000.00	Nil
Additional consideration realized in respect of accounts transferred in earlier years	4,649.04	Nil

Notes to financial statements for the year ended 31 March, 2025**Z. Asset Liability Maturity pattern of certain items of Assets and Liabilities (as compiled by management and relied upon by the auditor)****Maturity pattern of assets and liabilities as on March 31, 2025****

(Amount in ₹ Lakhs)

Particulars	Up to 30/31 Days	1 - 2 Months	2 - 3 Months	3 - 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	5 Years & above	Total
Advances	7,320.66	7,553.99	7,553.99	21,692.13	38,032.25	40,289.66	666.16	-	1,23,108.83
Investment	-	-	-	-	-	7,925.36	-	-	7,925.36
Borrowings*	7,752.18	7,080.83	7,080.83	20,613.26	31,113.45	47,112.01	8,682.47	-	1,29,435.04

*Borrowings include foreign currency borrowings in the form of ECB which have been fully hedged.

**The amount mentioned above represent only principle outstanding on advance and borrowings.

Maturity pattern of assets and liabilities as on March 31, 2024**

(Amount in ₹ Lakhs)

Particulars	Up to 30/31 Days	1 - 2 Months	2 - 3 Months	3 - 6 Months	6 Months to 1 Year	1 - 3 Years	3 - 5 Years	5 Years & above	Total
Advances	7,469.85	8,236.33	8,436.34	26,237.66	54,354.49	73,936.12	-	-	1,78,670.79
Investment	-	-	-	-	-	1,012.72	-	-	1,012.72
Borrowings	8,713.90	12,224.25	8,578.12	26,826.34	42,626.27	59,272.53	6,090.90	7,857.40	1,72,189.71

**The amount mentioned above represent only principle outstanding on advance and borrowings.

AA. Exposures

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current or previous year.

BB. Details of financing of parent company products

This disclosure is not applicable as the Company does not have any holding / parent company.

CC. Intra-group exposures

The company has not given advances to Group companies as on March 31,2025 (March 31,2024-Nil)

DD. Unhedged foreign currency exposure

The Company has no unhedged foreign currency exposure as on on March 31,2025 (March 31,2024-Nil)

EE. Divergence in Asset classification and provisioning

There is no Divergence assessed by Reserve Bank of India.

FF. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) i.e. 15% of its Owned fund / Group Borrower Limit (GBL) i.e. 25% of its own fund, during the current or previous year.

GG. Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil in the current and previous year.

HH. Registration obtained from other financial sector regulators

The Company is registered with the Ministry of Finance (Financial Intelligence Unit).

II. Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by RBI or any other regulator during the current or the previous year.

Notes to financial statements for the year ended 31 March, 2025**JJ. Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2025**

Deposit Instrument	Name of the rating agency	Date of rating assigned/reviewed	Amount (Rupees in lakhs)	Rating Assigned
NCD	CRISIL	21st January 2025	22,200.00	Crisil BBB+/Stable
Term Loan Bank Facilities	CRISIL	21st January 2025	42,500.00	Crisil BBB+/Stable
Term Loan Bank Facilities	CARE	8th October 2024	1,15,000.00	CARE BBB+; Negative
NCD	Brickworks	25th September 2024	4,000.00	Withdrawn
NCD	CARE	8th October 2024	5,000.00	CARE BBB+; Negative
MFI Grading	SMERA Grading	24th June 2024	-	M1
COCA	SMERA Grading	24th December 2024	-	C1

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2024

Deposit Instrument	Name of the rating agency	Date of rating assigned/reviewed	Amount (Rupees in lakhs)	Rating Assigned
NCD	CRISIL	February 14, 2024	22,200.00	CRISIL BBB+/Stable
Term Loan Bank Facilities	CRISIL	February 14, 2024	42,500.00	CRISIL BBB+/Stable
Term Loan Bank Facilities	CARE	September 05, 2023	1,15,000.00	CARE BBB+; Stable
NCD	CARE	September 05, 2023	5,000.00	CARE BBB+; Stable
NCD	Brickworks	June 15, 2023	1,000.00	BWR BBB/ Stable/Reaffirmation
MFI Grading	SMERA Grading	July 28, 2023	N.A.	SMERA M1 (Highest Capacity of the MFI to manage its operations in a sustainable manner)

KK. Remuneration of Directors

The Company has not entered into any transactions or in a pecuniary relationship with the non-executive directors other than those as disclosed in note E above.

LL. Postponement of Revenue Recognition

There is no significant uncertainty which requires postponement of revenue recognition.

MM. Provisions and Contingencies

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Provision made towards Income Tax	133.11	2,576.66
Provision towards NPA	1,990.55	2,200.53
Provision for standard assets	2,317.70	2,773.49
Provision for fraud	65.40	20.25
Provision for gratuity	263.38	153.91
Provision for compensated absence	376.56	228.24

NN. Draw down from Reserves

There has been no draw down from Reserves including security premium during the year ended March 31, 2025 (previous year: Nil) other than those disclosed under Note 21.

OO. Concentration of Deposits

The Company has not accepted any deposits during the year ended March 31, 2025 (previous year: Nil).

Notes to financial statements for the year ended 31 March, 2025**PP. Concentration of Advances, Exposures and NPAs**

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Concentration of Advances		
Total Advances to twenty largest borrowers	49.94	24.31
(%) of Advances to twenty largest borrowers to Total Advances	0.04%	0.01%
Concentration of Exposures		
Total Advances to twenty largest borrowers	49.94	24.31
(%) of Advances to twenty largest borrowers to Total Exposure	0.04%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	3.89	3.40

QQ. Sector-wise NPAs

(Amount in ₹ Lakhs)

Sr. No.	Sector	(%) of NPAs to total advances in that sector as at March 31, 2025	(%) of NPAs to total advances in that sector as at March 31, 2024
1	Agriculture & allied activities	Nil	Nil
2	MSME	0.05%	Nil
3	Corporate Borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto Loans	Nil	Nil
7	Other personal loans*	2.18%	1.58%

*Microfinance

Other personal loans include microfinance loans whereas MSME includes non-microfinance loans

RR. Movement of NPAs

(Amount in ₹ Lakhs)

Sr. No.	Particulars	2024-25	2023-24
1	Net NPAs to Net Advances (%)	0.53%	0.41%
2	Movement of NPAs (Gross)		
	(i) Opening balance	2,939.51	793.53
	(ii) Additions during the year	10,879.21	4479.07
	(iii) Reductions during the year	1,070.13	176.44
	(iv) Write-off	10,089.21	2156.65
	(v) Closing balance	2,659.38	2939.51
3	Movement of Net NPAs		
	(i) Opening balance	738.98	228.79
	(ii) Additions during the year	4,321.12	639.95
	(iii) Reductions during the year	4,391.27	129.76
	(iv) Closing balance	646.97	738.98
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(i) Opening balance	2,200.53	564.74
	(ii) Provisions made during the year	6,558.09	3,839.12
	(iii) Write-off / write-back of excess provisions	(6,768.07)	(2,203.32)
	(iv) Closing balance	1,990.55	2,200.53

SS. Overseas Assets and Off-Balance Sheet SPVs sponsored

The Company does not own any assets outside the country and any off-balance Sheet SPVs sponsored.

Notes to financial statements for the year ended 31 March, 2025**TT. Disclosure of Complaints**

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
(a) No. of complaints pending at the beginning of the year	Nil	Nil
(b) No. of complaints received during the year	112	155
(c) No. of complaints redressed during the year	112	155
(d) No. of complaints pending at the end of the year	Nil	Nil

Top five grounds of complaints received by the NBFC from Customers**2024-25**

Grounds of Complaints, (i.e. complaints relating to)	Number of Complaints pending at the beginning of the year	Number of Complaints received during the year	% of increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
EMI Paid still showing as due	-	39	13% Decrease	-	-
Credit Bureau Issue	-	24	27% Decrease	-	-
Staff Behaviour	-	24	60% Decrease	-	-
Loan closed but shown active in system	-	16	38% Decrease	-	-
Loan amount not received - NEFT related	-	3	There is no Increase/decrease	-	-

2023-24

Grounds of Complaints, (i.e. complaints relating to)	Number of Complaints pending at the beginning of the year	Number of Complaints received during the year	% of increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loan Instalment	-	45	246% Increased	-	-
Wrong Calling	-	18	100% Increased	-	-
Credit Bureau Issue	-	33	371% Increased	-	-
Insurance	-	15	1400% Increased	-	-
NOC	-	4	33% Increased	-	-

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

(Amount in ₹ Lakhs)

Particulars	2024-25	2023-24
Number of cases	207	135
Amount of fraud	63.89	18.74
Recovery	18.75	10.89
Amount written off / Provision made	45.14	7.84

* Including Robbery/theft incidents.

Notes to financial statements for the year ended 31 March, 2025**VV. Covenant Compliance**

The microfinance industry has been undergoing a phase of transition in the current financial year, shaped by various evolving factors such as adjustments to the Joint Liability Group (JLG) model, shifts in borrower discipline, climaterelated changes, and increasing borrower financial responsibilities. While these developments have presented operational challenges, including disruptions in centre meetings, they also offer opportunities for adaptation and resilience. During the year ended March 31, 2025 certain covenants have been breached as mentioned below. The company remains committed to strengthening recovery efforts at the ground level, fostering sustainable borrower engagement, and implementing proactive strategies to navigate these changes. With a focus on innovation and collaboration, we are confident in achieving improved outcomes and reinforcing our mission of financial empowerment

As at March 31,2025

Lender Name	Description of breached covenants	Nature of borrowings	Status of Waiver
A K Capital Finance Ltd.	- External Rating level Required rating BBB+ stable	Subordinated Liabilities Non-Convertible Debentures (Unsecured)	Waiver Received
Northern Arc Capital Ltd Disklayer Techno Pvt. Ltd. Manish Chandra Nigan HUF Softaculous Limited	- PAR 30 and write off (TTM) on AUM not more than 5% Debentures (Unsecured)	Subordinated Liabilities Non-Convertible	Waiver Received
AU Bank	- PAR>90 + Write Off (During last 12 months)/AUM shall be not more than 5%.	Term Loan from Bank	Request raised; Waiver is in process
Bank of Baroda	- ROE not less than 8.40% - ROA not less than 1%	Term Loan from Bank	Request raised; Waiver is in process
Bank of Maharashtra	- ROA not less than 1.50%	Term Loan from Bank	Request raised; Waiver is in process
Oxyzo Financial Services Pvt Ltd	- ROA not less than 0.75% - PAR>90 + Write Off (During last 12 months)/ AUM not more than 9%	Term Loan from NBFC	Request raised;
Northern Arc Capital Ltd	- PAR 30 and write off (TTM) on AUM not more than 5%	Term Loan from NBFC	Waiver Received
Japan Asean Women Empowerment Fund SA,SICAV-SIF	- Own PAR>30 + Restructured loans (Excluding those loans restructured under RBI's framework for COVID 19) + charge off (during 12 months)- recoveries (during 12 months)/ Own Book not more than 10%	External Commercial Borrowing	Waiver Received
Grameen Credit Agricole Foundation	- PAR 30 not more than 5%	External Commercial Borrowing	Waiver Received
Responsability SICAV (LUX) Financial Inclusion Fund Responsability SICAV (LUX) Micro and SME Finance Leaders Responsability SICAV (LUX) Micro and SME Finance Debt Fund	- PAR 30+ Restructured loans (Entire POS) + write off during last 12 months / GLP not more than 5%	External Commercial Borrowing	Request raised; Waiver is in process
Developing World Markets	- Write off (TTM) not more than 3%	Non-Convertible Debentures (Secured)	Request raised; Waiver is in process

Notes to financial statements for the year ended 31 March, 2025

Lender Name	Description of breached covenants	Nature of borrowings	Status of Waiver
Japan Asean Women Empowerment Fund SA,SICAV-SIF	- Own PAR>30 + Restructured loans (Excluding those loans restructured under RBI's framework for COVID 19) + charge off (during 12 months)- recoveries (during 12 months)/ Own Book not more than 10%	Non-Convertible Debentures (Secured)	Waiver Received

In addition to above, the Company has breached covenant for qualifying asset as required in lender agreement.

WW. The Company has maintained ongoing communication with its lenders, ensuring that no immediate repayment of borrowed funds will be demanded due to covenant breaches. None of the lenders has indicated any actions, financial charges or liabilities arising from covenant breaches. Accordingly, no adjustment(s) are required in these financial results.

Furthermore, the Company has applied for waiver applications to its lenders and is currently in the process of securing those waivers that have not yet been obtained.

As at March 31,2024

There was no breach of covenant as at March 31,2024.

XX. Comparison of Provision required under IRACP norms and impairment allowances made under Ind AS 109:

For the year ended March 31, 2025:

(Amount in ₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	125,069.06	1,375.60	123,693.46		
	Stage 2	1,538.85	942.10	596.75		
Subtotal (A)		126,607.91	2,317.70	1,24,290.21		
Non-Performing Assets (NPA)						
Sub-standard	Stage 3 **	2,497.59	1,828.76	668.83	1,247.91	3,060.34
Doubtful						
Upto 1 year	Stage 3	115.25	115.25	-		
1 to 3 years	-					
More than 3 years	-					
Loss assets	Stage 3	46.54	46.54	-		
Subtotal (B)		2,659.38	1,990.55	668.83		
Total	Stage 1	125,069.06	1,375.60	123,693.46		
	Stage 2	1,538.85	942.10	596.75	1,247.91	3,060.34
	Stage 3	2,659.38	1,990.55	668.83		
	Total	129,267.29	4,308.25	124,959.04	1,247.91	3,060.34

Notes to financial statements for the year ended 31 March, 2025**For the year ended March 31, 2024:**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,82,229.03	1,974.07	1,80,254.96		
	Stage 2	1,338.66	797.59	541.07		
Subtotal (A)		1,83,567.69	2,771.66	1,80,796.03		
Non-Performing Assets (NPA)						
Sub-standard	Stage 3 **	2,939.51	2,200.53	738.98		
Doubtful					1,867.25	3106.78
Upto 1 year	-	-	-	-		
1 to 3 years	-	-	-	-		
More than 3 years	-	-	-	-		
Loss assets	-	-	-	-		
Subtotal (B)		2,939.51	2,200.53	738.98		
Total	Stage 1	1,82,229.03	1,974.07	1,80,254.96		
	Stage 2	1,338.66	797.59	541.07	1867.25	3104.04
	Stage 3	2,939.51	2,200.53	738.98		
	Total	1,86,507.20	4,972.19	1,81,535.01	1867.25	3104.94

* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognising the securitised assets which meets the de-recognition criteria under the previous GAAP. The details are as under.

Provision as per IRACP norms	2024-25	2023-24
1% of Loan portfolio (A)	1,247.65	1865.83
50% of 90+ overdue and 100% of 180+ overdue (B)	553.75	902.86
Higher of (A) or (B)	1,247.65	1865.83
Other off book and covid provision	0.26	1.42
Total Provision	1,247.91	1867.25

**Stage 3 assets contain those loan accounts also which are below 90 DPD but falls under NPA Category.

YY. Information on Net Interest Margin**Quarterly Net Interest Margin**

Particulars	March 31, 2025			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	24.59%	23.98%	22.84%	22.96%
Average effective cost of borrowing	12.00%	11.88%	11.91%	12.17%

Particulars	March 31, 2024			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	22.77%	22.99%	23.52%	24.10%
Average effective cost of borrowing	11.73%	12.09%	12.42%	12.33%

The company has calculated above average lending rate and effective cost of borrowing as per pricing of credit guidelines prescribed in master directions issued by Reserve Bank of India no. DNBR.PD.008/03.10.119/2016-17.

Notes to financial statements for the year ended 31 March, 2025

ZZ. Disclosures as required for liquidity risk

(Amount in ₹ Lakhs)

Funding Concentration based on significant counterparty (both deposits and borrowings)

(Amount in ₹ Lakhs)

Particulars	March 31, 2025	March 31, 2024
Number of significant counter parties*	31	47
Amount	1,31,169.15	1,73,836.26
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities	100%	100%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Top 20 large deposits

Particulars	March 31, 2025	March 31, 2024
Total amount of top 20 deposits	Nil	Nil
Percentage of amount of top 20 deposits to total deposits	Nil	Nil

Top 10 borrowings

Particulars	March 31, 2025	March 31, 2024
Total amount of top 10 borrowings	92,089.24	1,13,243.00
Percentage of amount of top 10 borrowings to total borrowings	70.21%	65.14%

Funding Concentration based on significant instrument/product*

(Amount in ₹ Lakhs)

Sr. No.	Name of the instrument/product	31 March 2025	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	15,895.60	12.12%
2	Term Loans from Banks	75,577.29	57.62%
3	Term Loans from Non-banking financial companies	14,438.98	11.01%
4	External commercial borrowings	13,463.18	10.26%
5	Non-Convertible Debentures (Unsecured)	4,000.00	3.05%
6	Non-Convertible Preference Shares	NIL	NIL
7	Subordinated Debt (Tier II)	7,000.00	5.34%
8	Cash Credit	794.10	0.61%
	Total	1,31,169.15	100%

(Amount in ₹ Lakhs)

Sr. No.	Name of the instrument/product	31 March 2025	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	20824.17	11.98%
2	Term Loans from Banks	1,11,270.24	64.01%
3	Term Loans from Non-banking financial companies	19,530.98	11.24%
4	External commercial borrowings	10,422.50	6.00%
5	Non-Convertible Debentures (Unsecured)	4,000.00	2.30%
6	Non-Convertible Preference Shares	-	-
7	Subordinated Debt (Tier II)	7,000.00	4.03%
8	Cash Credit	788.37	0.45%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) C.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Notes to financial statements for the year ended 31 March, 2025**Stock ratios**

(Amount in ₹ Lakhs)

Sr. No.	Name of the instrument/product	31 March 2025	% of Total Liabilities
1	Commercial papers as a % of total public funds	Nil	Nil
2	Commercial papers as a % of total liabilities	Nil	Nil
3	Commercial papers as a % of total assets	Nil	Nil
4	Non-Convertible Debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
5	Non-Convertible Debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
6	Non-Convertible Debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
7	Other short-term liabilities as a % of total public funds	Nil	Nil
8	Other short-term liabilities as a % of total liabilities	Nil	Nil
9	Other short-term liabilities as a % of total assets	Nil	Nil

*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

AAA. Disclosure on Transfer of Loan Exposures

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

(i) Details of loans not in default transferred through assignment:

Particulars	2024-25	2023-24
Particulars	2024-25	2023-24
Aggregate amount of loans transferred	63,703.86	56,102.05
Weighted average maturity (in months)	15.35	18.32
Weighted average holding period (in months)	10.01	7.43
Retention of beneficial economic interest by the originator	10%-10 Transactions	10%-11 transactions
Tangible security cover	Nil	Nil
Rating-wise distribution of rated loans	Not Rated	Not Rated

(ii) The Company has not acquired any loan through assignment during the year ended March 31, 2025.**(iii) The Company has not transferred any non-performing assets (NPA's) during the year ended March 31, 2025.**

Particulars	2024-25	2023-24
Aggregate principal outstanding of loans transferred (Rs. In lakhs)	15,509.64	Nil
Weighted average residual maturity (in months)		Nil
Net book value of loans transferred (at the time of transfer)	3,350.96	Nil
Aggregate Consideration	8,000.00	Nil
Additional consideration realized in respect of accounts transferred in earlier years	4649.04	Nil

(iv) The Company has not acquired any stressed loan during the year ended March 31, 2025.

Notes to financial statements for the year ended 31 March, 2025**BBB. Schedule to the Balance Sheet of a Non-Banking Financial Company**

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

(Amount in ₹ Lakhs)

Particulars		As at March 31, 2025		As at March 31, 2024	
Liabilities side :					
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid*:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a)	Debentures				
	Secured	15,833.34	-	20,776.03	-
	Unsecured	4,000.00	-	4,000.00	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred Credits		-	-	-
(c)	Term Loans	88,587.29	-	1,29,505.61	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans (specify nature)	-	-	-	-
	- External Commercial borrowing	13,375.56	-	10,315.77	-
	- Cash Credit	794.10	-	788.37	-
	- Subordinated Liabilities	6,844.74		6,803.92	-

Notes to financial statements for the year ended 31 March, 2025

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
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	-	-	-	-
© Other public deposits	-	-	-	-
Assets side:				
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**:				
(a) Secured	-	-	-	-
(b) Unsecured	1,23,108.83	1,431.34	1,78,670.83	1,258.94
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 Break-up of Investments:				
Current Investments:				
1. Quoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others – Pass through Certificate	-	-	-	-
Others – Security Receipts	7,925.36	-	1,012.72	-
2. Unquoted:				
(i) Shares:				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others - Fixed Deposits	10,258.12	-	9,991.33	-

Notes to financial statements for the year ended 31 March, 2025**6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:**

As at 31st March 2025

Particulars	Amount net of provisions (Amount in ₹ Lakhs)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
© Other related parties	Nil	Nil	Nil
2. Other than related parties	-	1,23,108.83	1,23,108.83
Total	-	1,23,108.83	1,23,108.83

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

As at 31st March 2024

Particulars	Amount net of provisions (Amount in ₹ Lakhs)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	1,78,670.83	1,78,670.83
Total	Nil	1,78,670.83	1,78,670.83

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

As at 31st March,2025

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	7925.36	7925.36
Total	7925.36	7925.36

As at 31st March,2024

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	1,012.72	1,012.72
Total	1,012.72	1,012.72

Notes to financial statements for the year ended 31 March, 2025

8. Other information

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Gross Non-Performing Assets		
(a) Related parties	Nil	Nil
(b) Other than related parties	2,659.38	2,939.51
(ii) Net Non-Performing Assets		
(a) Related parties	Nil	Nil
(b) Other than related parties	668.83	738.98
(iii) Assets acquired in satisfaction of debt	Nil	Nil

*Refer with schedule 14,15 and 16 of financial statement.

**Refer with schedule 5 of the financial statement.

CCC. Loans to Directors. Senior officers and Relatives of Directors

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

DDD. Accounting notes Disclosures

Disclosures as required under RBI Notification No: RBI/ 2019-20/220 DOR No BP.BC.63/21.04.048/2019-20 dated April 17 2020 on COVID-19 Regulatory Package- Asset Classification and Provisioning.

(Amount in ₹ Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
i) Respective amounts in SMA/Overdue Categories where the moratorium/deferment was extended*	Nil	Nil
ii) Respective amount where asset classification benefits is extended.	Nil	Nil
iii) Provision made during quarter four for FY 2020 and Quarter one FY 2021 in terms of paragraphs (as on June 30, 2020).	Nil	Nil
iv) Provision adjusted during the respective accounting periods against slippages.	Nil	Nil
v) Residual provisions at the end of the financial year written back or adjusted against the provisions required for all other accounts.	Nil	Nil

*Outstanding on account of all cases where moratorium benefit is extended by the Company up to August 31, 2020.

Notes to financial statements for the year ended 31 March, 2025

EEE During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BPBC/3/21.04.048/2020-21 for the year ended March 31, 2025

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate Persons	-	-	-	-	-
- of which, MSMEs	-	-	-	-	-
Others					

Disclosures to be made year ended March 31, 2025

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons*	Nil	Nil	Nil	Nil	Nil
Of which MSMEs	Nil	Nil	Nil	Nil	Nil
Others	0.23	-	0.23	-	0.00
Total	0.23	-	0.23	-	0.00

FFF Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021, are given below:

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	Nil		Nil
(B)	Number of accounts where resolution plan has been implemented under this window	Nil		Nil
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	Nil		Nil
(D)	Of ₹, aggregate amount of debt that was converted into other securities	Nil		Nil
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Nil		Nil
(F)	Increase in provisions on account of the implementation of the resolution plan	Nil		Nil

As per our attached report of even date

For Talati & Talati LLP
Chartered Accountants
FRN No. 110758W/W100377

Place : Ahmedabad

Date: 27th May, 2025

Anand Sharma
Partner
Membership No. : 129033

For **Light Microfinance Pvt Ltd**

Deepak Amin
Managing Director
DIN- 01289453

Rakesh Kumar
Chief Executive Officer &
Executive Director
DIN-03430670

Aviral Saini
Chief Financial Officer &
Executive Director
DIN-03534719

Madhavi Gajjar
Company Secretary &
Chief Compliance Officer
M.No. A54522

LIGHT MICROFINANCE PRIVATE LIMITED

Reg office: 308 Aggarwal Tower, Plot No. 2 Sector – 5, Dwarka New Delhi - 110075
 Corporate Office: 1501, 15th Floor Sankalp Square 3B Sindhu Bhavan Road
 B/s Hotel Taj Skyline Shilaj, Bopal, Ahmedabad, Gujarat, India, 380058
 Website : www.lightfinance.com | Email : info@lightfinance.com
 CIN: U67120DL1994PTC216764

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIRST ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF LIGHT MICROFINANCE PRIVATE LIMITED WILL BE HELD ON TUESDAY, SEPTEMBER 23, 2025, AT 1501 15TH FLOOR SANKALP SQUARE 3B SINDHU BHAVAN ROAD B/S HOTEL TAJ SKYLINE SHILAJ, BOPAL, AHMEDABAD, GUJARAT, INDIA- 380058 AT 11:30 AM IST THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS:

- ORDINARY BUSINESS:**

ITEM 01:

TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025, AND REPORTS OF THE BOARD OF DIRECTORS AND AUDITOR THEREON.

- NOTE**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2025, and reports of Board of Directors and Auditor thereon.

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

"RESOLVED THAT the audited financial statement of the company for the financial year ended March 31, 2025, and the reports of Board of Directors and Auditor thereon, as circulated to the members, be and are hereby considered and adopted."

"RESOLVED FURTHER THAT Mr. Deepak Amin, Managing Director, Mr. Rakesh Kumar, CEO & Executive Director, and Mr. Aviral Saini, CFO & Executive Director of the Company be & are hereby severally authorized to do all such acts, things and deeds as may be necessary and incidental thereto."

"RESOLVED FURTHER THAT a copy of the foregoing resolution certified to be true under the signature of any of the Executive Directors or Company Secretary of the Company be provided to any regulator or any other concerned departments for their reference and records."

By Order of the Board of Directors
LIGHT MICROFINANCE PRIVATE LIMITED

Date: August 11, 2025
 Place: Ahmedabad

RAKESH KUMAR
 CEO & EXECUTIVE DIRECTOR
 DIN: 03430670

• **NOTES:**

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular no. 20/2020 dated May 05, 2020, General Circular No. 10/2022 dated December 28, 2022, General Circular No.09/2023 dated September 25, 2023, and General Circular No.09/2024 dated September 19, 2024 (collectively referred to as 'MCA Circulars'), has allowed the companies to conduct Annual General Meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till September 30, 2025. The Securities and Exchange Board of India ('SEBI') also vide its Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated October 06, 2023 and SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated June 05, 2025 ('SEBI Circulars') has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). Accordingly, this Annual General Meeting (AGM) is being held through Video Conferencing mode.
2. Since the AGM will be held through Video conferencing or other Audio-visual mode, 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. Hence, the proxy form, attendance slip, and route map of the venue of the meeting are not annexed hereto.
3. Electronic copy of the Notice of the 31st 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 31st Annual General Meeting of the Company is being sent in the permitted mode.
4. Members may also note that the Notice of the 31st Annual General Meeting, and the Annual Report for 2024-25 will also be available on the Company's Website www.lightfinance.com 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 members may also send requests to the Company's investor email id: compliance@lightfinance.com
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Corporate Office of the Company during normal business hours (9:00 a.m. to 6:00 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
6. Members desiring to vote shall send the Ballot Paper enclosed with this Notice to the Scrutinizer, CS Chirag Shah, Practicing Company Secretary, duly completed and signed on pcschirag@gmail.com not later than 24 hours of conclusion of AGM. Any Ballot Paper received after that will be strictly treated as if the reply from the Members has not been received.
7. The Ballot Paper should be signed by the Member as per the specimen signature registered with the Company/Depository Participants. In case of joint holding, the Ballot Paper should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney ("POA") holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot Paper is not permitted through proxy.
8. Pursuant to the provisions of Section 112 and 113 of the Companies Act, 2013 read with the applicable MCA Circulars, corporate and institutional members (companies, mutual funds, trusts, societies, etc.) are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and participate on their behalf. The duly completed Ballot Paper should be accompanied by a certified copy of the relevant Board Resolution/Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
9. In accordance with the aforementioned MCA circulars, the Notice of the 31st AGM and the Annual Report for the financial year 2024 - 25 including therein the Audited Financial Statements for the year 2024-25, will be available on the website of the Company at <https://www.lightfinance.com/resources/> and the website of stock exchanges at Bombay Stock Exchanges of India Ltd at www.bseindia.com
10. Votes should be cast in case of each resolution, either in favor or against, by putting the tick (✓) mark in the column provided in the Ballot Paper for assent / dissent.

11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. A Ballot Paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favor or against or if the signature cannot be verified.
12. The decision of the Scrutinizer on the validity of the Ballot Paper and any other related matters shall be final.

By Order of the Board of Directors
LIGHT MICROFINANCE PRIVATE LIMITED

RAKESH KUMAR
CEO & EXECUTIVE DIRECTOR
DIN: 03430670

Date: August 11, 2025
Place: Ahmedabad

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Notes

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Gujarat
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