

The Board of Directors  
Aye Finance Private Limited

11 December 2020

**Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Dear Sirs:

1. We have reviewed the accompanying statement of unaudited financial results of Aye Finance Private Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 to the Statement, which describes the uncertainty arising from COVID 19 pandemic and impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.

6. The comparative Ind AS financial information of the Company for the corresponding half year ended September 30, 2019, included in these Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended March 31, 2020, were audited by predecessor auditor who expressed an unmodified conclusion/opinion on those financial information on December 10, 2019 and July 27, 2020 respectively.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**AMIT**

**KABRA**

per **Amit Kabra**

Partner

Membership No.: 094533

UDIN: 20094533AAAAKM4043

Mumbai

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**Statement of Unaudited Financial Results for the half year ended September 30, 2020**

<b>Particulars</b>	<b>(Amount in Rs. Crores unless otherwise stated)</b>	
	<b>As at September 30, 2020 Unaudited</b>	<b>As at March 31, 2020 Audited</b>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	467.48	172.15
Bank Balance other than cash and cash equivalents	379.88	55.21
Derivative financial instruments	(2.26)	3.28
Loans	1,423.95	1,716.82
Investments	1.03	1.03
Other Financial assets	12.91	9.32
<b>Sub-total -Financial assets (A)</b>	<b>2,282.99</b>	<b>1,957.81</b>
<b>Non-financial Assets</b>		
Current Tax assets (Net)	-	1.03
Deferred tax Assets (Net)	24.98	29.32
Property, Plant and Equipment	4.96	5.78
Right to use Asset	9.12	11.53
Capital work-in-progress	1.51	1.21
Other Intangible assets	0.33	0.49
Other non-financial assets	4.34	4.84
<b>Sub-total -Non-Financial assets (B)</b>	<b>45.24</b>	<b>54.20</b>
<b>Total Assets (A+B)</b>	<b>2,328.23</b>	<b>2,012.01</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.55	0.54
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.34	15.83
Debt Securities	958.12	889.40
Borrowings (Other than Debt Securities)	543.64	529.77
Lease Liability	10.33	12.11
Other financial liabilities	24.95	33.31
<b>Sub-total -Financial Liabilities (A)</b>	<b>1,555.93</b>	<b>1,480.96</b>
<b>Non-Financial Liabilities</b>		
Current tax liabilities (Net)	8.76	-
Provisions	10.46	7.62
Other non-financial liabilities	3.46	6.72
<b>Sub-total -Non Financial Liabilities (B)</b>	<b>22.68</b>	<b>14.34</b>
<b>EQUITY</b>		
Share Capital	30.45	27.04
Other Equity	719.17	489.67
<b>Sub-total -Equity (C)</b>	<b>749.62</b>	<b>516.71</b>
<b>Total Liabilities and Equity (A+B+C)</b>	<b>2,328.23</b>	<b>2,012.01</b>

**For and on behalf of the Board of Directors of  
Aye Finance Private Limited**

**SANJAY SHARMA**  
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Sanjay Sharma  
 Managing Director  
 DIN: 03337545

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Vikram Jetley  
 Director  
 DIN: 06530212

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Tripti Pandey  
 Company Secretary

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Ashish Sharma  
 Chief Financial Officer

Place: Gurugram  
 Date: December 11, 2020

**Statement of Unaudited Financial Results for the half year ended September 30, 2020**

(Amount in Rs. Crores unless otherwise stated)

Particulars	Half year ended		Year ended
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
<b>A. Revenue from operations</b>			
Interest Income	240.30	170.25	392.22
Fees and commission income	0.67	4.30	9.25
Net gain on fair value changes	(5.23)	4.15	10.26
<b>Total Revenue from operations</b>	<b>235.74</b>	<b>178.70</b>	<b>411.73</b>
<b>B. Other Income</b>	0.36	0.49	1.20
<b>Total Income (A+B)</b>	<b>236.10</b>	<b>179.19</b>	<b>412.93</b>
<b>C. Expenses</b>			
Finance Costs	90.38	55.78	140.87
Impairment on financial assets	27.59	30.94	65.08
Employee Benefits Expenses	64.62	57.05	122.62
Depreciation and amortization	3.98	3.31	7.88
Other expenses	12.08	12.60	36.53
<b>Total Expenses (C)</b>	<b>198.65</b>	<b>159.68</b>	<b>372.98</b>
<b>Profit before tax (A+B-C)</b>	<b>37.45</b>	<b>19.51</b>	<b>39.95</b>
<b>Tax Expense</b>			
- Current Tax	12.26	11.29	23.68
- Deferred Tax	4.33	(6.01)	(16.14)
<b>Income tax expense (D)</b>	<b>16.59</b>	<b>5.28</b>	<b>7.54</b>
<b>Profit for the period (A+B-C-D)</b>	<b>20.86</b>	<b>14.23</b>	<b>32.41</b>
<b>E. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement loss on defined benefit plans	0.02	(0.43)	(0.31)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	(0.11)	(0.08)
<b>Other Comprehensive Income (E)</b>	<b>0.02</b>	<b>(0.32)</b>	<b>(0.23)</b>
<b>Total Comprehensive Income for the period (net of tax) (A+B-C-D+E)</b>	<b>20.88</b>	<b>13.91</b>	<b>32.18</b>
<b>Earnings per equity share*</b>			
Basic	7.18	5.15	11.74
Diluted	7.09	5.07	11.59

\* Not annualised for the half year ended September 30, 2020 & September 30, 2019

**For and on behalf of the Board of Directors of  
Aye Finance Private Limited**

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Ashish Sharma  
Chief Financial Officer

Place: Gurugram  
Date: December 11, 2020

**Unaudited Financial Results for the half year ended September 30, 2020**

**Notes**

- 1 Aye Finance Private Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013, as applicable.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on December 11, 2020, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The above results for the half year ended September 30, 2020 have been reviewed by the Statutory Auditors of the Company.
- 3 The Company operates in a single reportable segment i.e. lending to retail customers having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographic segment i.e. domestic.
- 4 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset classification and Provisioning (IRACP) norms (including provision on standard asset). The impairment allowances under Ind AS 109 made by company exceeds the total provision required under IRACP (including standard asset provisioning), as at September 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 5 In accordance with Reserve Bank of India ("RBI") guidelines relating to 'COVID-19 – Regulatory Package' dated March 27, 2020 and subsequent guideline on EMI moratorium dated April 17, 2020 and May 23, 2020 ("RBI regulatory package"), the company has offered moratorium on the payment of installments falling due between March 1, 2020 to August 31, 2020 ("moratorium period") to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded from no. of days past dues for the purpose of asset classification. The company holds provision as at September 30, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package – Asset classification and provisioning are given below:

Particulars	(Rs. in crores)
Particulars	Amount
Advance outstanding in SMA/Overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular*	29.97
Respective amounts where assets classification benefit was extended*	12.73
Provision made in terms of paragraph 5 of the circular (As per paragraph 4 applicable to NBFC's covered under IND AS)**	9.31
Provision adjusted against slippages in terms pf paragraph 6 of the circular	-
Residual provision in terms of paragraph 6 of the circular	9.31

\*Principal outstanding of accounts under SMA/Overdue category is as of September 30, 2020.

\*\*Above provision does not include management overlay provision of Rs. 31.15 crores on overall stage 1 and 2 assets on account of COVID19 as of September 30, 2020.

- 6 Consequent to the outbreak of CoVID-19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones. While there have been some improvements in economic activity during the current half year, the continued slowdown has led to a decrease in loan origination and impacted efficiency in collection efforts during the half year. Further, in accordance with Reserve Bank of India guidelines relating to CoVID-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers.

Further, the Hon'ble Supreme Court, in a public interest litigation, vide an interim order dated September 3, 2020 ('interim order') has directed that accounts classified which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not declared any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA till August 31, 2020. However, such loans have been classified as stage 3 and provided accordingly.

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

The Company holds impairment allowance of Rs. 77.65 crores as at September 30, 2020 including the potential impact of COVID – 19 based on the information available at this point in time.

7 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has worked upon the operational aspects of the Scheme.

8 The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.

**For and on behalf of the Board of Directors of  
Aye Finance Private Limited**

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**Sanjay Sharma**  
Managing Director  
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Company Secretary

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Director  
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**Ashish Sharma**  
Chief Financial Officer

Place: Gurugram  
Date: December 11, 2020

**Disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015**

We are pleased to submit following information pursuant to Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

1. Details of previous and next due date of non-convertible debentures along with credit ratings are as follows:

Particulars	Ratings	Details of redemption & interest due in next half year		Details of redemption & interest during last half year ended September 30, 2020	
		Interest/Principal	Due date	Interest/Principal	Due date
ISIN No - INE501X08016 , Aye Finance Private Limited - SR-1.12.19 NCD 16FB21 FVRe1	ICRA BBB+ stable last updated on December 24, 2019	0.61	December 31, 2020	0.61	June 30, 2020
		20.31	February 16, 2021	0.61	September 30, 2020
ISIN No - INE501X08024 , Aye Finance Private Limited - SR-1-2500 RR NCD 26FB21 FVRS1LAC	ICRA BBB+ stable last updated on December 24, 2019	28.13	February 26, 2021	-	-
ISIN No - INE501X07067 , Aye Finance Private Limited SR-1 11.9 NCD 28MR23 FVRS10LAC	ICRA BBB+ stable last updated on December 24, 2019	1.77	March 28, 2021	1.89	September 28, 2020
ISIN No - INE501X08032, Aye Finance Private Limited Series 01-20000000 12.14 NCD 06MR24 FVRS10	IND A- stable last updated on March 16, 2020	0.21	October 31, 2020	0.20	April 30, 2020
		0.20	November 30, 2020	0.21	May 31, 2020
		0.21	December 31, 2020	0.20	June 30, 2020
		0.21	January 31, 2021	0.21	July 31, 2020
		0.19	February 28, 2021	0.21	Aug 31, 2020
ISIN No - INE501X07091, Aye Finance Private Limited 12.6447 NCD 31OT22 FVRS10LAC	ICRA BBB+ stable last updated on December 24, 2019	4.58	October 31, 2020	4.53	April 30, 2020
		4.47	December 24, 2020	4.72	June 24, 2020

ISIN No - INE501X07158, Aye Finance Private Limited SR 01-2000 12.25 NCD 29NV20 FVRS1LAC	ICRA A(CE/ Stable last updated on December 24, 2019	2.77	November 29, 2020	0.24	May 29, 2020
		0.09	November 29, 2020	2.61	May 29, 2020
				0.17	August 29, 2020
				2.69	August 29, 2020
ISIN No- INE501X07125, Aye Finance Private Limited SR 01-350 13 NCD 26JU25 FVRS10LAC	ICRA BBB+ stable last updated on December 24, 2019	2.15	December 26, 2020	2.28	June 26, 2020
ISIN No- INE501X07174, Aye Finance Private Limited 12.1957	IND A- stable last updated on March 16, 2020	6.56	November 29, 2020	6.49	May 29, 2020
ISIN No- INE501X07190, AYE FINANCE PRIVATE LIMITED SR 01-250 13.5 NCD 22MY23 FVRS10LAC	IND A- stable last updated on May 21, 2020	0.95	October 31, 2020	1.05	June 30, 2020
		0.93	November 30, 2020	0.97	July 31, 2020
		0.93	December 31, 2020	0.96	Aug 31, 2020
		0.93	January 31, 2021	0.95	September 30, 2020
		0.90	February 28, 2021		
		0.91	March 31, 2021		
ISIN No- INE501X07208, AYE FINANCE PRIVATE LIMITED 10.10 NCD 11FB22 FVRS10LAC	IND A- stable last updated on August 5, 2020	-	-	-	-
ISIN No- INE501X07216 , AYE FINANCE PRIVATE LIMITED 10 LOA 19FB22 FVRS10LAC	IND A- stable last updated on August 5, 2020	-	-	-	-

2. Except INE501X08016, INE501X08024 and INE501X08032, all the above NCDs are secured by exclusive charge on specific receivables and bonds.
3. Debt Equity Ratio as on September 30, 2020 is 2.
4. Debts service Coverage Ratio, Asset Cover and Interest Service coverage ratio are not required for NBFC's registered with RBI as per proviso to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Outstanding redeemable preference shares (quantity and value) : Nil
6. Capital redemption reserve/debenture redemption reserve : Not Applicable
7. Net worth for the half year ended on September 30, 2020 : Rs. 749.62 (in crores).
8. Net profit after tax for the half year ended on September 30, 2020 : Rs. 20.88 (in crores).

Sanjay Sharma  
Managing Director  
DIN: 03337545

Vikram Jetley  
Director  
DIN:06530212

Ashish Sharma  
CFO

Tripti Pandey  
Company Secretary  
M.No. 32760

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