

**Review Report to  
The Board of Directors  
Aye Finance Private Limited**

12 February 2022

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

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of Aye Finance Private Limited (the "Company") for the quarter ended 31 December 2021 and year to date from 1 April 2021 to 31 December 2021 (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.

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

Chartered Accountants

5. We draw attention to Note 5 to the Statement, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.
  
6. The comparative financial information of the Company for the corresponding quarter and nine months ended December 31, 2020, as reported in these unaudited Ind AS financial results have been approved by the Company's Board of Directors but have not been subjected to a review.

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

Chartered Accountants

**ICAI Firm registration number: 101049W/E300004**

**AMIT**  
**KABRA**

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**per Amit Kabra**

Partner

Membership No.: 094533

UDIN: 22094533ABNFX2824

Place: Gurugram

**Aye Finance Private Limited**  
CIN - U65921DL1993PTC283660

Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015

Ph. : 01244844000, Email : corporate@ayefin.com, website : www.ayefin.com

Statement of unaudited financial results for the quarter and nine months ended December 31, 2021

(Rs. in Crores unless otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-2021 Unaudited	30-Sep-2021 Unaudited	31-Dec-2020 Unaudited	31-Dec-2021 Unaudited	31-Dec-2020 Unaudited	31-Mar-2021 Audited
<b>Revenue from operations</b>						
Interest income	93.18	89.64	132.93	298.98	410.43	482.53
Fees and commission income	2.77	2.11	0.08	5.94	0.75	8.15
Net gain on fair value changes	1.58	-	-	6.70	-	4.60
<b>Total revenue from operations</b>	<b>97.53</b>	<b>91.75</b>	<b>133.01</b>	<b>311.62</b>	<b>411.18</b>	<b>495.28</b>
Other income	4.03	1.33	0.95	7.84	1.31	4.74
<b>Total income</b>	<b>101.56</b>	<b>93.08</b>	<b>133.96</b>	<b>319.46</b>	<b>412.49</b>	<b>500.02</b>
<b>Expenses</b>						
Finance cost	37.82	38.07	62.36	119.57	189.94	235.16
Net loss on fair value changes	3.73	0.32	(1.21)	4.05	4.02	5.08
Impairment on financial instruments	3.90	14.07	51.19	99.49	78.78	55.65
Employee benefit expenses	41.20	43.19	29.02	124.83	93.64	141.44
Depreciation and amortization expense	1.14	2.68	1.70	6.13	5.68	9.29
Other expenses	11.28	7.61	9.91	26.84	21.99	30.12
<b>Total expenses</b>	<b>99.07</b>	<b>105.94</b>	<b>152.97</b>	<b>380.91</b>	<b>394.05</b>	<b>476.74</b>
<b>Profit / (Loss) before tax</b>	<b>2.49</b>	<b>(12.86)</b>	<b>(19.01)</b>	<b>(61.45)</b>	<b>18.44</b>	<b>23.28</b>
<b>Tax expense:</b>						
Current tax	-	-	6.14	-	18.40	10.15
Deferred tax	0.43	(3.10)	(15.18)	(15.52)	(10.85)	(2.26)
Tax for earlier years	-	-	-	-	-	(1.50)
<b>Income tax expense</b>	<b>0.43</b>	<b>(3.10)</b>	<b>(9.04)</b>	<b>(15.52)</b>	<b>7.55</b>	<b>6.39</b>
<b>Profit / (Loss) for the period / year (A)</b>	<b>2.06</b>	<b>(9.76)</b>	<b>(9.97)</b>	<b>(45.93)</b>	<b>10.89</b>	<b>16.89</b>
<b>Other comprehensive loss</b>						
Items that will not be reclassified subsequently to profit or loss						
Re-measurement (loss) / income on defined benefit plans	1.91	(0.56)	(0.04)	1.35	(0.02)	(0.13)
Income tax effect	(0.47)	0.14	0.01	(0.33)	0.01	0.03
<b>Other comprehensive loss (B)</b>	<b>1.44</b>	<b>(0.42)</b>	<b>(0.03)</b>	<b>1.02</b>	<b>(0.01)</b>	<b>(0.10)</b>
<b>Total comprehensive (loss) / income for the period / year (A+B)</b>	<b>3.50</b>	<b>(10.18)</b>	<b>(10.00)</b>	<b>(44.91)</b>	<b>10.88</b>	<b>16.79</b>
<b>Earnings per equity share</b>						
Computed on the basis of total profit for the period / year						
Basic EPS (not annualised) (Rs.)	1.13	(3.28)	(3.23)	(14.48)	3.66	5.58
Diluted EPS (not annualised) (Rs.)	1.12	(3.28)	(3.23)	(14.48)	3.61	5.51
Nominal value	10.00	10.00	10.00	10.00	10.00	10.00

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

SANJAY  
SHARMA

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Place: Gurugram  
Date: February 12, 2022

Sanjay Sharma  
Managing Director

**Aye Finance Private Limited**  
**CIN - U65921DL1993PTC283660**

**Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015**  
**Ph. : 01244844000, Email : corporate@ayefin.com, website : www.ayefin.com**

**Notes:**

- 1) The Company is a systemically important non-deposit taking non-banking financial company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- 2) The above financial results have been reviewed by the Audit Committee and approved by the Board at its Meeting held on February 12, 2022. The report is being filed with the Bombay Stock Exchange Limited ("BSE") and is also available on the Company's website www.ayefin.com.
- 3) The above financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve bank of India or other regulators are implemented as and when they are issued/applicable.
- 4) The statement of financial results includes the results for the quarter ended December 31, 2021 being the balancing figure between year to date figures up to the nine months of the current financial year and half year ended September 30, 2021 of current financial year. The figures for quarter and nine months ended December 31, 2020 are approved by the Board of Directors and were not subject to limited review by Statutory Auditors of the Company.
- 5) "A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the "pandemic"), which was further extended in phases up to May 31, 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones but localised/regional restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The second wave of the COVID-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lockdown measures in various parts of the country. The second wave started to subside from June 2021 onwards and the lockdowns were gradually lifted, resulting in a significant improvement in economic activity. India experienced another outbreak due to a new variant in December 2021 and as a precautionary measure, certain state governments have imposed localised/regional restrictions. The extent to which the COVID19 pandemic, will continue to impact the Company's financial results, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. At December 31, 2021, the Company believes that the impairment allowance of loans has been recorded considering the reasonable and supportable information available upto the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of the financial assets. The Company will continue to closely monitor any material changes to future economic conditions and resultant impact, if any, on the impairment allowance of loans."
- 6) Disclosure pursuant to RBI notification - RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05 May, 2021

**For the nine months ended December 31, 2021**

(Amount in Rs. in crores, except otherwise stated)

S. No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	-	3,766	-
(B)	Number of accounts where resolution plan has been implemented under this window	-	3,766	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan **	-	43.59	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan*	-	7.32	-

\*The Company, being an NBFC, has complied with Ind AS and has made adequate provision on impairment loss allowance as per ECL model for the period ended December 31, 2021.

\*\* Consist of unbilled and overdue principal

- 7) Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021
  - (a) Details of transfer through assignment in respect of loans not in default during the nine months ended December 31, 2021 : Nil
  - (b) Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 during the nine months ended December 31, 2021 : Nil
  - (c) Details of stressed loans transferred during the nine months ended December 31, 2021 : Nil
- 8) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.

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**Notes:**

- 9) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
  - 10) The Company owns 99.999% of Foundation for Advancement of Micro Enterprises (FAME) ,incorporated under Section 8 of the Companies Act,2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.
  - 11) Pursuant to RBI circular dated November 12, 2021, "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – clarifications", the Company has taken necessary steps and complied with the provisions of the circular for regulatory reporting, as applicable. The financial results for the quarter and nine months ended December 31, 2021, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standard".
  - 12) In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of standalone financial results for the quarter and nine months ended December 31, 2021 has been carried out by the Statutory Auditors of the Company.
  - 13) Disclosures in compliance with Regulation 52/4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine month ended December 31, 2021 is attached as Annexure I to these financial results.
  - 14) Pursuant to Regulation 54 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 we would like to state that all listed secured Non-Convertible Debentures of the Company are secured by way of first exclusive charge on hypothecated book debts of the Company up to the extent minimum of 100% of the amount outstanding.
  - 15) The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.
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**For and on behalf of the Board of Directors of**  
**Aye Finance Private Limited**

**SANJAY SHARMA** Digitally signed by SANJAY SHARMA  
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Place: Gurugram  
Date: February 12, 2022

**Sanjay Sharma**  
Managing Director

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Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at December 31, 2021 with respect to listed secured debentures of the Company issued on a private placement basis

(Rs. in Crores unless otherwise stated)

- a) Omitted  
b) Omitted  
c) Debt equity ratio (Refer Note 1) 1.87  
d) Omitted  
e) Omitted  
f) Debt service coverage ratio: Not applicable  
g) Interest service coverage ratio: Not applicable  
h) Outstanding redeemable preference shares (quantity and value) Not applicable  
i) Capital redemption Reserve: Not applicable  
j) Net worth (Refer Note 2): 654.10

**k) Net profit after tax:**

Particulars	Nine months ended December 31,2021	Quarter ended December 31,2021
Net (loss) / profit after tax:	(45.93)	2.06

**l) Earnings per share (not annualised):**

Particulars	Nine months ended December 31,2021	Quarter ended December 31,2021
Basic	(14.48)	1.13
Diluted	(14.48)	1.12

- m) Current ratio Not applicable  
n) Long term debt to working capital ratio: Not applicable  
o) Bad debts to Account receivable ratio: Not applicable  
p) Current liability ratio: Not applicable  
q) Total debts to total assets (%) (Refer Note 3): 61.59%  
r) Debtors turnover: Not applicable  
s) Inventory turnover: Not applicable  
t) Operating margin(%): Not applicable

**u) Net profit margin(%) (Refer note 4):**

Particulars	Nine months ended December 31,2021	Quarter ended December 31,2021
Net profit margin(%):	(14.38%)	2.03%

**v) Sector specific ratios:**

Gross NPA ratio (Gross stage III assets) (Refer Note 5)	7.81%
Net NPA ratio (Net stage III assets) (Refer Note 6)	2.89%
Provision coverage ratio (Refer Note 7)	64.84%
CRAR	41.86%
Liquidity coverage ratio	Not applicable

**Notes:**

- Debt to equity ratio = (Debt securities+Borrowings other than debt securities+Subordinated liabilities (lease liabilities)) / Net-worth
- Net-worth = Total equity - Deferred tax - Intangible assets - Prepaid expenses
- Total debt to total assets = ((Debt securities + Borrowings other than debt securities+Subordinated liabilities (lease liabilities)) / Total assets
- Net profit margin = Net profit for the nine months / Total income for the nine months
- Gross NPA ratio = Gross stage III loans / Gross loans
- Net NPA ratio = (Gross stage III loans - Impairment allowance on stage III loans) / (Gross loans-Impairment allowance on stage III loans)
- Provision coverage ratio = Provision on Gross stage III loans / Gross Stage III loans

**For Aye Finance Private Limited**

**SANJAY SHARMA** Digitally signed by SANJAY SHARMA  
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