

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Aye Finance Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Aye Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss 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 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 financial statements.

**Emphasis of Matter - Assessment of COVID 19 Impact**

We draw attention to Note 54 to the financial statements, 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 opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Impairment of loans as at the balance sheet date (expected credit losses)</b>  <i>(as described in note 2.18 of the Ind AS financial statements)</i></p>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Corporation's loans.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> <li>Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</li> <li>Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') on a collective basis;</li> <li>Determining effect of less frequent past events on future probability of default.</li> </ol> <p><b>Additional consideration on account of COVID-19</b></p> <p>Pursuant to the Reserve Bank of India circular dated May 5, 2021 for "Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions, the Company has restructured the loans given to its borrowers in accordance with its Board approved policy.</p> <p>The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans as at the balance sheet date (including provision for expected credit losses) is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Considered the Company's accounting policies for impairment of loans and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020, ("the RBI Guidelines").</li> <li>Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" issued by RBI on May 5, 2021 and tested the implementation of such policy on a sample basis.</li> <li>Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around extraction, validation and computation of the input data used.</li> <li>Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days).</li> <li>Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>Tested assumptions used by the management in determining the overlay (including COVID-19 pandemic) pursuant to RBI Guidelines.</li> <li>Assessed the adequacy of disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109 including specific disclosures made in the financial statements with regards to the impact of CoVID-19 on ECL estimation.</li> </ul>



## Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibility of Management and Those Charged with Governance for the 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 of these 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 Indian Accounting Standards (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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to 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 on the basis of these 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;



# S.R. BATLIBOI & ASSOCIATES LLP


Chartered Accountants

- (h) 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:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company has made provisions, as required under the applicable laws or accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts. Refer Note 52.5 to the financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 59 to the financial statements, 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 persons or entities, 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;  
  
b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 59 to the financial statements, 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  
  
c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Kabra

Partner

Membership Number: 094533

UDIN: 22094533AJRDNG6369

Place of Signature: Gurugram

Date: 26 May 2022



**Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

**Re: Aye Finance Private Limited**

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets recognized in the financial statements.
- (i)(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i)(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i)(e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate by banks or financial institutions. However, such loans are either unsecured or secured by way of negative lien over assets of the Company. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)(a) Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii)(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (iii)(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for loans where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 48 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.



- (iii)(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 48 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (iii)(e) Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (iii)(f) 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (vii)(b) The dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount under dispute (Rs in Crores)	Amount paid* (Rs. In Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.44	0.48	AY 2017-18	CIT(A)

\*paid under protest

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.



- (ix)(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender during the year.
- (ix)(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has complied with provisions of sections 42 of the Companies Act, 2013 in respect of the private placement of fully convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised. Further, according to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or partly/optionally convertible debentures during the year.
- (xi)(a) No material fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year and up to the date of this report, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).





# S.R. BATLIBOI & ASSOCIATES LLP

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- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year or the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 37 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 30 to the financial statements.
- (xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 30 to the financial statements.
- (xxi) The Company doesn't have any subsidiary, Associate or Joint Venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra

Partner

Membership Number: 121411

UDIN: 22094533AJRDNG6369

Place of Signature: Gurugram

Date: 26 May 2022



**Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

**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 with reference to these financial statements of Aye Finance Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 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 with reference to these financial statements.

#### **Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

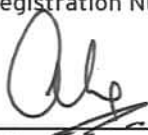
## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Kabra

Partner

Membership Number: 094533

UDIN: 22094533AJRDNG6369

Place of Signature: Gurugram

Date: 26 May 2022



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Balance sheet as at March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	152.84	179.45
Bank balances other than cash and cash equivalents	4	224.22	168.00
Loans	5	1,687.71	1,500.77
Investments	6	155.11	198.17
Other financial assets	7	7.09	16.51
<b>Total financial assets</b>		<b>2,226.97</b>	<b>2,062.90</b>
<b>Non-financial assets</b>			
Current tax assets (net)	8	8.83	0.38
Deferred tax assets (net)	9	47.33	31.60
Property, plant and equipment	10	4.78	5.31
Right of use assets		20.58	20.37
Capital work-in-progress	36	0.06	0.01
Intangible assets	10A	1.37	1.56
Other non-financial assets	11	6.34	4.86
<b>Total non-financial assets</b>		<b>89.29</b>	<b>64.09</b>
<b>Total assets</b>		<b>2,316.26</b>	<b>2,126.99</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	12	3.89	1.79
Debt securities	13	922.23	945.44
Borrowings (other than debt securities)	14	598.51	368.88
Lease liabilities	15	23.35	22.70
Other financial liabilities	16	32.78	6.04
<b>Total financial liabilities</b>		<b>1,580.76</b>	<b>1,344.85</b>
<b>Non-financial liabilities</b>			
Provisions	17	23.14	22.94
Other non-financial liabilities	18	6.35	12.50
<b>Total non-financial liabilities</b>		<b>29.49</b>	<b>35.44</b>
<b>EQUITY</b>			
Equity share capital	19	30.45	30.45
Other equity	20	675.56	716.25
<b>Total equity</b>		<b>706.01</b>	<b>746.70</b>
<b>Total liabilities and equity</b>		<b>2,316.26</b>	<b>2,126.99</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

3 to 56

In terms of our report attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of

Aye Finance Private Limited

Corporate Identification No.: U65921DL1993PTC283660



*Amit Kabra*

per Amit Kabra  
Partner  
Membership No.: 094533  
Place: Gurugram  
Date: May 26, 2022



*Sanjay Sharma*

Sanjay Sharma  
Managing Director  
DIN: 03337545  
Place: Gurugram  
Date: May 26, 2022

*Navin Kumar Maini*

Navin Kumar Maini  
Director  
DIN: 00419921  
Place: New Delhi  
Date: May 26, 2022

*Mayank Shyam Thatte*

Mayank Shyam Thatte  
Chief Financial Officer  
Place: Gurugram  
Date: May 26, 2022

*Tripti Pandey*

Tripti Pandey  
Company Secretary  
Membership No.: 32760  
Place: Gurugram  
Date: May 26, 2022

*(Signature)*

**Aye Finance Private Limited (CIN: U65921DL1993PTC283660)**  
**Statement of profit and loss for the year ended March 31, 2022**  
(All amounts are in Rs. crores unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>			
Interest income	21	415.39	482.51
Fees and commission income	22	8.04	8.15
Net gain on fair value changes	23	8.49	4.61
<b>Total revenue from operations</b>		<b>431.92</b>	<b>495.27</b>
Other income	24	11.57	4.15
<b>Total income</b>		<b>443.49</b>	<b>499.42</b>
<b>Expenses</b>			
Finance cost	25	158.55	235.15
Net loss on fair value changes	26	2.10	5.08
Impairment on financial instruments	27	121.10	55.06
Employee benefit expenses	28	175.76	141.44
Depreciation and amortization expense	10	9.97	9.29
Other expenses	29	43.42	30.12
<b>Total expenses</b>		<b>510.90</b>	<b>476.14</b>
<b>(Loss) / Profit before tax</b>		<b>(67.41)</b>	<b>23.28</b>
<b>Tax expense:</b>			
Current tax		-	10.15
Tax for earlier years		(5.63)	(1.50)
Deferred tax		(16.06)	(2.26)
<b>Income tax expense</b>		<b>(21.69)</b>	<b>6.39</b>
<b>(Loss) / Profit for the year (A)</b>		<b>(45.72)</b>	<b>16.89</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gain / (loss) on defined benefit plans		1.31	(0.13)
Income tax effect		(0.33)	0.03
<b>Other comprehensive income / (loss) (B)</b>		<b>0.98</b>	<b>(0.10)</b>
<b>Total comprehensive (loss) / income for the year (A+B)</b>		<b>(44.74)</b>	<b>16.79</b>
<b>(Comprising loss and other comprehensive income for the year)</b>			
<b>Earnings per share (equity share, par value of Rs.10 each)</b>			
Basic (Rs.)	31	(14.74)	5.58
Diluted (Rs.)	31	(14.74)	5.51
Nominal value		10.00	10.00
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.	3 to 56		

In terms of our report attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of

Aye Finance Private Limited

Corporate Identification No.: U65921DL1993PTC283660



per Amit Kabra

Partner

Membership No.: 094533

Place: Gurugram

Date: May 26, 2022




Sanjay Sharma

Managing Director

DIN: 03337545

Place: Gurugram

Date: May 26, 2022



Navin Kumar Maini

Director

DIN: 00419921

Place: New Delhi

Date: May 26, 2022



Mayank Shyam Thatte

Chief Financial Officer

Place: Gurugram

Date: May 26, 2022




Tripti Pandey

Company Secretary

Membership No.: 32760

Place: Gurugram

Date: May 26, 2022



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
(Loss) / Profit before tax	(67.41)	23.28
<b>Adjustments for:</b>		
Depreciation and impairment of PPE and right of use assets	4.52	3.68
Depreciation on right of use assets	5.45	5.61
Unrealised foreign exchange gain	(0.52)	(0.01)
Unrealised loss / (gain) on investments in mutual fund	0.03	(1.61)
Profit on sale of mutual fund units	(8.00)	(2.99)
Other comprehensive income / (loss)	0.98	(0.10)
Impairment of financial instruments	6.22	18.20
Loans and advances written off	113.21	36.86
Loss on settlement	1.67	-
Loss on sale of property, plant and equipment (net)	0.02	-
Expense on employee stock option scheme	4.05	3.23
Expenses for gratuity and leave encashment	3.54	3.02
Interest on leased assets	2.77	1.81
<b>Operating profit before working capital changes</b>	<b>66.53</b>	<b>90.98</b>
<b>Movements in working capital:</b>		
(Increase) in bank balances not considered as cash and cash equivalents	(56.07)	(111.17)
(Increase) / Decrease in loan portfolio	(308.04)	160.99
Decrease / (Increase) in other financial assets	9.42	(14.87)
(Increase) / Decrease in other non financial assets	(1.48)	0.32
Increase / (Decrease) in other financial liabilities (excluding lease liabilities)	26.74	(0.19)
Increase in derivative financial instruments	2.10	5.07
(Decrease) / Increase in other non financial liabilities	(6.15)	5.78
(Decrease) in lease liabilities	(7.78)	(5.67)
(Decrease) / Increase in provisions	(2.03)	2.02
<b>Cash (used in) / generated from operations</b>	<b>(276.76)</b>	<b>133.26</b>
Income taxes paid	(2.49)	(8.03)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(279.25)</b>	<b>125.23</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (excluding right of use assets) (Net of sale proceeds)	(5.49)	(3.09)
Purchase of investments	(1,564.77)	(514.97)
Sale of investments	1,615.86	328.28
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>45.60</b>	<b>(189.78)</b>



(Continued)

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>(Continued)</i>		
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	(0.00)	209.99
Proceeds from issue of debt securities	237.22	162.18
Redemption of debt securities	(260.43)	(396.17)
Proceeds from borrowings (other than debt securities)	415.01	320.42
Repayment of borrowings (other than debt securities)	(184.76)	(224.60)
<b>Net cash generated from financing activities (C)</b>	<b>207.04</b>	<b>71.82</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>(26.61)</b>	<b>7.27</b>
Cash and cash equivalents at the beginning of the year	179.45	172.18
<b>Cash and cash equivalents at the end of the year (refer note 3)</b>	<b>152.84</b>	<b>179.45</b>
<b>Components of cash and cash equivalents as at the end of period</b>		
Cash in hand	3.27	3.01
Balance with banks - on current account	71.33	56.62
Deposits with original maturity of less than or equal to 3 months	78.24	119.82
<b>Total cash and cash equivalents</b>	<b>152.84</b>	<b>179.45</b>

Note:

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped / reclassified wherever applicable.
3. See accompanying notes forming part of these financial statements.

In terms of our report attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of

Aye Finance Private Limited

Corporate Identification No.: U65921DL1993PTC283660



per Amit Kabra

Partner

Membership No.: 094533

Place: Gurugram

Date: May 26, 2022



Sanjay Sharma

Managing Director

DIN: 03337545

Place: Gurugram

Date: May 26, 2022

Navin Kumar Maini

Director

DIN: 00419921

Place: New Delhi

Date: May 26, 2022

Mayank Shyam Thatte

Chief Financial Officer

Place: Gurugram

Date: May 26, 2022

Tripti Pandey

Company Secretary

Membership No.: 32760

Place: Gurugram

Date: May 26, 2022

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)  
Statement of changes in equity for the year ended March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>A. Equity share capital</b>				
Balance at the beginning of the year	3,04,52,654	30.45	2,70,42,854	27.04
Changes in equity share capital during the year	-	-	34,09,800	3.41
<b>Balance at the end of the year</b>	<b>3,04,52,654</b>	<b>30.45</b>	<b>3,04,52,654</b>	<b>30.45</b>

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share capital</b>				
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>				
Balance at the beginning of the reporting year	48,30,500	4.83	48,30,500	4.83
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current / previous reporting period	48,30,500	4.83	48,30,500	4.83
Changes in share capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>48,30,500</b>	<b>4.83</b>	<b>48,30,500</b>	<b>4.83</b>

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Compulsorily Convertible Cumulative Preference Shares (CCPS)</b>				
<b>Preference shares of Rs. 10 each issued, subscribed and fully paid</b>				
Balance at the beginning of the reporting year	2,61,82,448	26.18	2,27,72,648	22.77
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current / previous reporting period	2,61,82,448	26.18	2,27,72,648	22.77
Changes in share capital during the year	-	-	34,09,800	3.41
<b>Balance at the end of the reporting year</b>	<b>2,61,82,448</b>	<b>26.18</b>	<b>2,61,82,448</b>	<b>26.18</b>





**Aye Finance Private Limited (CIN: U65921DL1993PTC283660)**  
Statement of changes in equity for the year ended March 31, 2022

Particulars	Reserves and Surplus					Total
	Statutory reserve under section 451C of RBI Act	Securities premium	ESOP reserve account	Retained earnings	Other comprehensive income	
<b>Balance at the end of the reporting year 2020</b>	11.75	452.78	4.22	21.28	(0.36)	489.67
Change in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the end of the reporting year 2020</b>	11.75	452.78	4.22	21.28	(0.36)	489.67
Profit for the year	-	-	-	16.89	-	16.89
Transfer to / (from) statutory reserve under section 451C of RBI Act 1934	3.38	-	-	(3.38)	-	-
Other comprehensive income for the year	-	-	-	-	(0.10)	(0.10)
Transfer to / (from) share option outstanding account	-	-	3.53	-	-	3.53
Utilisation / lapses of share option outstanding	-	-	(0.30)	-	-	(0.30)
Premium on issue of share capital	-	206.56	-	-	-	206.56
<b>Balance at the end of the reporting year 2021</b>	15.13	659.34	7.45	34.79	(0.46)	716.25
Change in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the end of the reporting year 2020</b>	15.13	659.34	7.45	34.79	(0.46)	716.25
Profit for the year	-	-	-	(45.72)	-	(45.72)
Transfer to / (from) statutory reserve under section 451C of RBI Act 1934	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	0.98	0.98
Transfer to / (from) share option outstanding account	-	-	4.67	-	-	4.67
Utilisation / lapses of share option outstanding	-	-	(0.62)	-	-	(0.62)
Premium on issue of share capital	-	-	-	-	-	-
<b>Balance at the end of the reporting year 2022</b>	15.13	659.34	11.50	(10.93)	0.52	675.56

In terms of our report attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

*(Signature)*

per Amit Kabra

Partner

Membership No.: 094533

Place: Gurugram

Date: May 26, 2022



For and on behalf of the Board of Directors of

Aye Finance Private Limited

Corporate Identification No.: U65921DL1993PTC283660

*(Signature)*

Sanjay Sharma

Managing Director

DIN: 03337545

Place: Gurugram

Date: May 26, 2022

Navin Kumar Maini

Director

DIN: 00419921

Place: New Delhi

Date: May 26, 2022

*(Signature)*

Mayank Shyam Thatte

Chief Financial Officer

Membership No.: 32760

Place: Gurugram

Date: May 26, 2022

Tripti Pandey

Company Secretary

Membership No.: 32760

Place: Gurugram

Date: May 26, 2022



*(Signature)*

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

## 1 General information

Aye Finance Private Limited ("AFPL" or "the Company") was incorporated to carry on the business of a finance company and to provide finance (whether short or long term loan or working capital finance, development finance, factoring, leasing, guarantees or any other debt related funding) to micro, small and medium scale enterprises and to individuals. On July 18, 2014, the Company received a certificate of registration from the Reserve Bank of India vide registration no. B-14.03323 under Section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non-Banking Financial Company (NBFC) without acceptance of public deposits. The Company is currently a systemically important non deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non-Banking Financial Company are applicable to the Company. The registered office of the Company is situated in Delhi.

The Company has issued debentures on a private placement basis and the said securities are listed with Bombay Stock Exchange (BSE) on Debt market segment.

## 2 Significant accounting policies:

### 2.1 Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

### 2.2 Basis of preparation:

The financial statements have been prepared on a going concern basis the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

### 2.3 Presentation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2020 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the crores, except when otherwise indicated. The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Group and / or its counterparties



**2 Significant accounting policies:**

(Continued)

**2.4 Revenue recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

**(i) Interest income**

**EIR method**

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at fair value through other comprehensive income ('FVOCI') and fair value through profit and loss (FVTPL). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is recorded as and when realised.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

**(ii) Net gain or fair value changes**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss.

**(iii) Other operational revenue:**

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. This includes cheque bouncing charges, late payment charges and prepayment charges etc. which are recorded as and when realised.

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.**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.



**2 Significant accounting policies:**

(Continued)

**2.5 Leases:**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for its various office spaces. 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 of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has not exercised the exemption to exclude short term leases or low value leases.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

**2.6 Foreign currency transactions:**

The functional currency and presentation currency of the company is Indian Rupee.

**Initial recognition**

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction.

**Measurement of foreign currency monetary items at the balance sheet date**

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using exchange rate on the date of transaction.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss in the period in which they arise.



**2 Significant accounting policies:**

(Continued)

**2.7 Employee benefits:**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**(i) Short term employee benefits:**

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**(ii) Post employment benefits:**

**(a) Defined contribution plan**

The Company's contribution to Employee Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund under the relevant Acts are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**(b) Defined benefit plan**

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

**(iii) Long-term employee benefits**

Compensated absences with respect to leave encashment benefits payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

**(iv) Termination benefits**

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.



**2 Significant accounting policies:**

(Continued)

**2.8 Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is measured in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

**(iii) Current tax and deferred tax for the year**

Current tax and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



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**2 Significant accounting policies:**

(Continued)

**2.9 Property, plant and equipment:**

**(i) Property, plant and equipment**

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes import duties and any non-refundable taxes on such purchase, after deducting rebates and trade discounts and is inclusive of freight, duties, taxes and other incidental expenses. All cost are capitalized which are directly attributable to bringing assets to the condition and location essential for it to operate in a manner as intended by the management. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim.

Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

**(ii) Depreciation and amortisation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. Leasehold improvements are amortised over the period of lease.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets is acquired/installed. Depreciation on sale/deduction from property, plant and equipment is provided for up to the date of sale deduction and discernment as the case may be.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In respect of assets whose useful lives has been revised, the unamortized depreciable amount is charged over the revised remaining useful lives of the assets.

**(iii) Derecognition of property, plant and equipment**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

**2.10 Intangible assets:**

**(i) Recognition and measurement**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

**(ii) Derecognition of Intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

**(iii) Useful lives of intangible assets**

Estimated useful lives of the intangible asset for the current and comparative periods are as follows:

Computer software: 3 years



**2 Significant accounting policies:**  
(Continued)

**2.11 Impairment of non financial assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

**2.12 Provisions, contingent liabilities and contingent assets:**

**(i) Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

**(ii) Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(iii) Contingent assets**

Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow of economic benefits is probable.

**2.13 Segment reporting:**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.





**2 Significant accounting policies:**

(Continued)

**2.14 Cash and cash equivalents:**

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.15 Share-based payment arrangements:**

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 in accordance with IND AS 102, Share-based payments. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The company has constituted an Employee Stock Option Plan 2016. The Plan provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

The company has constituted an Employee Stock Option Plan 2020. The company has transferred all the ungranted options under Employee Stock Option Plan 2016 to Employee Stock Option Plan 2020 while options granted under the Employee Stock Option Plan 2016 continue to be governed by the conditions of Employee Stock Option Plan 2016. Both plans provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

**2.16 Input tax credit:**

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

**2.17 Financial instruments:**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**(i) Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial asset are adjusted to the fair value on initial recognition.

**Subsequent measurement**

For the purpose of Subsequent measurement, the Company classifies financial assets in following categories:

- (a) Financial assets at amortized cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)

**Financial assets shall be measured at amortized cost if both of the following conditions are met:**

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) 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.



**2 Significant accounting policies:**

(Continued)

**2.17 Financial instruments:**

(Continued)

**A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:**

(a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) 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.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL

**Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

Financial investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

All other equity investments are measured at fair value, with value changes recognised in Profit and loss, except for those equity investments for which the company has elected to present the changes in fair value through OCI.

**De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial 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 is able to 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.



**2 Significant accounting policies:**

(Continued)

**2.17 Financial instruments:**

(Continued)

**(ii) Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial liabilities are adjusted to the fair value on initial recognition.

**Subsequent measurement**

Subsequent to initial recognition, all liabilities are measured at amortized cost using the effective interest method except for derivatives, financial liabilities designated for measurement at FVTPL which are measured at fair value.

**De-recognition of financial liabilities**

A financial liabilities is de-recognized when the obligation under the liability is discharged or cancelled or expires. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Offsetting of financial instruments**

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

**Reclassification of financial assets and liabilities**

The Company doesn't reclassify its financial assets and liabilities subsequent to their initial recognition.

**Modification of financial assets and financial liabilities**

**Financial assets**

The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

**Financial liabilities**

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.



**2 Significant accounting policies:**

(Continued)

**2.18 Impairment of financial instruments:**

(Continued)

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets other than those measured through profit and loss (FVTPL).

**(i) Expected credit losses are measured through a loss allowance at an amount equal to:**

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs (Lifetime expected Credit losses) and 12 months ECLs are calculated on collective basis.

**(ii) Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:**

**Stage 1**

When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

**Stage 2**

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3 and facilities where the credit risk has been increased due to restructuring and loan has been reclassified from stage 1.

**Stage 3**

Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

**Definition of Default**

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

**Significant increase in credit risk**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

**(iii) Calculation of ECLs**

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

**Probability of Default (PD)**

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

**Exposure at Default (EAD)**

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

**Loss Given Default (LGD)**

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.



**2 Significant accounting policies:**

(Continued)

**2.18 Impairment of financial instruments:**

(Continued)

**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 macro-economic trends reasonably.

The mechanics of the ECL method are summarised below:

**Stage 1**

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to the EAD and multiplied by the expected LGD.

**Stage 2**

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

**Stage 3**

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

**(iv) Loss allowances for ECL are presented in the statement of financial position as follows:**

- (a) for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- (b) for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

**(v) Write offs**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**2.19 Statement of cash flows:**

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (a) Changes during the period in operating receivables and payables transactions of a non-cash nature;
- (b) Non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (c) All other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**2 Significant accounting policies:**

(Continued)

**2.20 Earnings per share:**

**Basic earnings per share (EPS)**

Basic earnings per share (EPS) is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**2.21 Borrowing cost:**

Borrowing cost includes interest expense calculated using the EIR method.

**2.22 Insurance claims:**

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**2.23 Derivative financial instruments**

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in statement of profit and loss.

**Hedge accounting**

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.



**2 Significant accounting policies:**

(Continued)

**2.24 Fair value measurement**

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). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

**(i) Level 1 financial instruments**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**(ii) Level 2 financial instruments**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**(iii) Level 3 financial instruments**

Include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

**2.25 Significant management judgements in applying accounting policies and estimation uncertainty**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The following are significant management estimation/uncertainty and judgement in applying the accounting policies of the Company that have the most significant effect on the financial statements:

**Defined benefit obligation**

Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.



2 Significant accounting policies:

(Continued)

2.25 Significant management judgements in applying accounting policies and estimation uncertainty

(Continued)

**Business model assessment**

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**Fair value of financial instruments :** The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

**Effective Interest Rate (EIR) method :** The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Property, plant and equipment**

Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

**Evaluation of indicators for impairment of assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Contingent liabilities**

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.



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Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**2 Significant accounting policies:**

(Continued)

**2.25 Significant management judgements in applying accounting policies and estimation uncertainty**

(Continued)

**Impairment of financial assets**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

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 the estimates used in preparation of the standalone financial statements are prudent and reasonable.

**Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**Discount rate for lease liability**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

**Fair value of share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.



3	Cash and cash equivalents	As at	As at
		March 31, 2022	March 31, 2021
	Cash on hand	3.27	3.01
	Balances with banks:		
	On current accounts	71.33	56.62
	Deposit with original maturity of less than three months	78.24	119.82
		<b>152.84</b>	<b>179.45</b>

(a) Cash in hand includes balance in prepaid cards obtained by Company for its routine expenses from the banks.

(b) Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying periods of between one day and three months depending upon the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

4	Bank balances other than cash and cash equivalents	As at	As at
		March 31, 2022	March 31, 2021
	Fixed deposit with original maturity for more than three months	210.87	114.53
	Balances with banks to the extent held as margin money or security against borrowing, guarantees and other commitments		
	Balance held as security against borrowings	3.70	11.13
	Balance held as security against securitisation	9.65	42.34
		<b>224.22</b>	<b>168.00</b>

(a) Fixed deposits and margin money deposits with banks earns interest at fixed rates or floating rates based on daily bank deposit rates.

5	Loan portfolio	As at	As at
		March 31, 2022	March 31, 2021
	Bills purchased and bills discounted	-	0.16
	Revolving working capital	0.01	1.35
	Term loans	1,739.64	1,586.08
	Staff loan	2.56	2.71
	<b>Total - Gross</b>	<b>1,742.21</b>	<b>1,590.30</b>
	Less: Impairment loss allowance	54.50	89.53
	<b>Total - Net</b>	<b>1,687.71</b>	<b>1,500.77</b>
	<b>(A) As per NBFC Directions</b>		
	(i) Others	1,742.21	1,590.30
	(ii) To Related parties	-	-
	<b>Total (A) Gross</b>	<b>1,742.21</b>	<b>1,590.30</b>
	Less: Impairment loss allowance	54.50	89.53
	<b>Total (A) Net</b>	<b>1,687.71</b>	<b>1,500.77</b>
	<b>(B) Based on security</b>		
	(i) Secured	143.94	233.72
	(ii) Unsecured	1,598.27	1,356.58
	<b>Total (B) Gross</b>	<b>1,742.21</b>	<b>1,590.30</b>
	Less: Impairment loss allowance	54.50	89.53
	<b>Total (B) Net</b>	<b>1,687.71</b>	<b>1,500.77</b>
	<b>(C) Based on region</b>		
	<b>(I) Loans in India</b>		
	(i) Public sector	-	-
	(ii) Others	1,742.21	1,590.30
	<b>Total (C) (I) Gross</b>	<b>1,742.21</b>	<b>1,590.30</b>
	Less: Impairment loss allowance	54.50	89.53
	<b>Total (C) (I) Net</b>	<b>1,687.71</b>	<b>1,500.77</b>
	<b>(II) Loans outside India</b>		
	Less: Impairment loss allowance	-	-
	<b>Total (C) (II) Net</b>	<b>-</b>	<b>-</b>
	<b>Total (C) (I) and (C) (II)</b>	<b>1,687.71</b>	<b>1,500.77</b>



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

6 Investments	As at March 31, 2022	As at March 31, 2021
<b>Investments measured at fair value through profit or loss</b>		
Mutual funds	119.29	190.85
Mutual Funds held as security in respect of borrowings	6.46	6.29
<b>Security receipts</b>		
ARCIL - trust	32.05	-
Less: Impairment loss allowance	2.94	-
<b>Investments carried at Fair value through Profit or loss</b>	<b>154.86</b>	<b>197.14</b>
Corporate Bonds held as security in respect of borrowings	-	0.78
<b>Investment in subsidiary at amortised cost (unquoted)</b>		
249,999 equity shares of INR 10 in Foundation for Advancement of Micro Enterprises (FAME)	0.25	0.25
<b>Investments measured at amortised cost</b>	<b>0.25</b>	<b>1.03</b>
<b>Total - Gross (A)</b>	<b>158.05</b>	<b>198.17</b>
Investments outside India	-	-
Investments in India	158.05	198.17
<b>Total (B)</b>	<b>158.05</b>	<b>198.17</b>
Total (A) to tally with (B)	-	-
Less: Allowance for impairment loss (C)	2.94	-
<b>Total - Net D= (A)-(C)</b>	<b>155.11</b>	<b>198.17</b>

7 Other financial assets (at amortised cost)	As at March 31, 2022	As at March 31, 2021
Receivable from insurance company	3.77	0.22
Security deposits	2.43	1.82
Recoverable from Government on account of Ex-Gratia*	-	13.35
Other receivables	0.89	1.12
	<b>7.09</b>	<b>16.51</b>

\*Represents sum recoverable under the scheme of Ministry of Finance, Department of Financial Services (DFS) vide letter Ref: F No. 2/12/2020-BOA.I dated October 23, 2020 relating to the Scheme of grant of ex-gratia payment of difference between compound interest and simple interest for six months (March 01, 2020 to August 31, 2020)

8 Current tax assets (net)	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision)	8.83	0.38
	<b>8.83</b>	<b>0.38</b>

9 Deferred tax assets (Net)	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)	47.33	31.60
	<b>47.33</b>	<b>31.60</b>



## 10 Property, plant and equipment

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022
Furniture and fixtures	2.22	2.19	1.08	2.19	1.08	0.29	1.33	0.86
Office equipments	1.60	2.31	0.98	2.31	0.98	0.44	1.35	0.96
Electrical installations and equipments	0.77	0.91	0.18	0.91	0.18	0.18	0.35	0.56
Computers	6.79	8.60	4.25	8.60	4.25	2.21	6.45	2.15
Vehicles	0.04	-	0.03	-	0.03	-	-	-
Leasehold improvements	0.97	0.98	0.56	0.98	0.56	0.17	0.73	0.25
<b>Total</b>	<b>12.39</b>	<b>2.77</b>	<b>7.08</b>	<b>14.99</b>	<b>7.08</b>	<b>3.29</b>	<b>10.21</b>	<b>4.78</b>

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Furniture and fixtures	2.21	2.22	0.69	2.22	0.69	0.39	1.08	1.14
Office equipments	1.27	1.60	0.67	1.60	0.67	0.31	0.98	0.62
Electrical installations and equipments	0.28	0.77	0.06	0.77	0.06	0.12	0.18	0.59
Computers	5.09	6.79	2.38	6.79	2.38	1.87	4.25	2.54
Vehicles	0.04	0.04	0.02	0.04	0.02	0.01	0.03	0.01
Leasehold improvements	0.97	0.97	0.26	0.97	0.26	0.30	0.56	0.41
<b>Total</b>	<b>9.86</b>	<b>2.53</b>	<b>4.08</b>	<b>12.39</b>	<b>4.08</b>	<b>3.00</b>	<b>7.08</b>	<b>5.31</b>

## 10A Intangible assets

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022
Computer software	3.66	4.70	2.10	4.70	2.10	1.23	3.33	1.37
<b>Total</b>	<b>3.66</b>	<b>4.70</b>	<b>2.10</b>	<b>4.70</b>	<b>2.10</b>	<b>1.23</b>	<b>3.33</b>	<b>1.37</b>

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Computer software	1.92	3.66	1.43	3.66	1.43	0.67	2.10	1.56
<b>Total</b>	<b>1.92</b>	<b>3.66</b>	<b>1.43</b>	<b>3.66</b>	<b>1.43</b>	<b>0.67</b>	<b>2.10</b>	<b>1.56</b>



11 Other non-financial assets	As at	As at
	March 31, 2022	March 31, 2021
TDS recoverable	0.25	0.31
Goods and service tax receivable	1.02	1.84
Capital advance	0.06	0.02
Prepaid expenses	4.16	1.85
Advance to suppliers	0.66	0.69
Employees advances	0.19	0.15
	<b>6.34</b>	<b>4.86</b>

12 Derivative financial instruments	As at	As at
	March 31, 2022	March 31, 2021
<b>Carried at fair value</b>		
Cross currency swap rate contract not designated in hedge accounting relationship	3.89	1.79
	<b>3.89</b>	<b>1.79</b>

13 Debt securities (at amortised cost)	As at	As at
	March 31, 2022	March 31, 2021
<b>Redeemable non-convertible debentures</b>		
Secured	791.51	889.95
Unsecured	130.72	55.49
	<b>922.23</b>	<b>945.44</b>
Debt securities in India	<b>922.23</b>	<b>945.44</b>
Debt securities in outside India	-	-
	<b>922.23</b>	<b>945.44</b>

Note 1: Refer Note 13(i) below for the repayment details along with rate of interest and security details.

**13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings**

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of outstanding principal loan amount.	INE501X07018	13.70%	18-May-22	27.00	-	27.00	-
		INE501X07026	13.54%	17-Jun-22	27.00	-	27.00	-
		INE501X07034	13.54%	29-Jul-22	26.00	-	26.00	-
	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of outstanding principal loan amount.	INE501X07067	11.64%	28-Mar-23	30.00	-	30.00	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Secured, Rated, Listed, Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of outstanding principal loan amount.	INE501X07174	12.90%	29-Nov-22	107.00		107.00	-
		INE501X07224	12.51%	31-Oct-24	72.00		72.00	-
Senior, Secured, Rated, Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1,00,000/-	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount.	INE501X07083	12.07%	24-Jul-21	-	-	68.00	-
Senior, Secured, Rated, Un-Listed, Redeemable Transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1x of the value outstanding.	INE501X07042	13.47% and 13.55%	29-Aug-23	44.00	-	44.00	-
Secured, Rated, Listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,000 /- each.	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount.	INE501X07117	13.50%	24-Dec-21	-	-	70.00	-



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13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings  
(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Senior, Unsecured, Rated, Listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10 /- each	No Security	INE501X08032	12.14%	06-Mar-24	-	20.00	-	20.00
Secured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,000/- each.	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 1.10x of the principal amount outstanding.	INE501X07125	12.96%	26-Jun-21	-	-	8.75	-
				26-Jun-25	26.25	-	26.25	-
Senior Rated Un-Listed Redeemable De-Materialized Non-Convertible Debentures issued on private placement basis of Rs. 1,00,000/- each	The Charge over the charged receivables shall be at all times 1x of the value outstanding.	INE501X07133	12.32%	05-Aug-21	-	-	5.33	-
				07-Feb-22	-	-	5.33	-
				05-Aug-22	5.33	-	5.33	-
Senior, Secured, Rated, Unlisted Redeemable Transferable De-Materialized Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each	The Charge over the charged receivables shall be at all times 1x of the value outstanding.	INE501X07166	12.50%	08-Nov-22	41.40	-	41.40	-
Senior, Secured, Un-Rated, Un-Listed, Redeemable Transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1x of the value outstanding.	INE501X07141	10.78%	25-Oct-21	-	-	31.25	-
				25-Oct-23	93.75	-	93.75	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Senior, Secured, Rated, Un-Listed, Redeemable transferable Non Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1x of the value outstanding.	INE501X07182	12.64% and 12.87%	31-Mar-23	58.00	-	58.00	-
Senior, Secured, Rated, Listed, Redeemable transferable Non Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 110% of aggregate principal outstanding. Security creation and Perfection required as per laws and regulations.	INE501X07190	13.50%	30-Apr-21	-	-	0.69	-
				31-May-21	-	-	0.69	-
				30-Jun-21	-	-	0.69	-
				31-Jul-21	-	-	0.69	-
				31-Aug-21	-	-	0.69	-
				30-Sep-21	-	-	0.69	-
				31-Oct-21	-	-	0.69	-
				30-Nov-21	-	-	0.69	-
				31-Dec-21	-	-	0.69	-
				31-Jan-22	-	-	0.69	-
				28-Feb-22	-	-	0.69	-
				31-Mar-22	-	-	0.69	-
				30-Apr-22	0.69	-	0.69	-
				31-May-22	0.69	-	0.69	-
				30-Jun-22	0.69	-	0.69	-
				31-Jul-22	0.69	-	0.69	-
				31-Aug-22	0.69	-	0.69	-
				30-Sep-22	0.69	-	0.69	-
				31-Oct-22	0.69	-	0.69	-
				30-Nov-22	0.69	-	0.69	-
31-Dec-22	0.69	-	0.69	-				
31-Jan-23	0.69	-	0.69	-				
28-Feb-23	0.69	-	0.69	-				
31-Mar-23	0.69	-	0.69	-				
30-Apr-23	0.69	-	0.69	-				
22-May-23	0.69	-	0.69	-				





Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/ each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 125% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	INE501X07208	10.10%	11-Feb-22	-	-	50.00	-
Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/ each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 1.10 times of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	INE501X07216	10.00%	19-Feb-22	-	-	10.00	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Senior, Secured, Rated, Unlisted, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.1,000/- each fully paid up.	Hypothecation of fixed deposits created out of the proceeds of the issue of the NCD by way of floating charge and hypothecation of loans (and/or other assets) in the form of a fixed charge, whereas the cumulative amount of all assets subject to the Floating Charge and the Initial Fixed Charge shall be, at any time, not less than 100% of the outstanding amounts under the NCD.	INE501X07232	10.70%	16-May-22	77.17	-	77.17	-
				13-May-24	0.01		0.01	-
Unsecured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,000/- each	No Security	INE501X08057	11.35%	15-Mar-25	-	37.50	-	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings  
(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Unsecured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,000 /- each.	No Security	INE501X08057	11.35%	15-Mar-25	-	37.50	-	-
Senior, Unsecured, Rated, Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1,00,000/- each.	No Security	INE501X08040	11.50%	31-Dec-22	-	25.00	-	-
Secured, Rated, Unlisted Redeemable, Transferable De-Materialized Non-Convertible Debentures issued on private placement basis of Rs.1,000/- each.	Hypothecation of book debts/receivables maintained at all times at 1.00 times of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	INE501X07257	10.20%	21-Jun-25	22.22	-	-	-
Senior, Secured, Rated, Listed, Market Linked Redeemable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each.	Hypothecation of book debts/receivables backed by small business loans extended by company to a minimum cover of 1.3x on the MLD amount outstanding.	INE501X07240	9.68%	07-Sep-23	50.00	-	-	-



13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings  
(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Senior, Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures issued on private placement basis of Rs 1,00,000/- each.	Hypothecation of book debts/receivables maintained at all times at 110% of aggregate principal outstanding. Security creation and Perfection required as per laws and regulations.	INE501X07265	10.70%	24-Apr-22	1.04	-	-	-
				24-May-22	1.04	-	-	-
				24-Jun-22	1.04	-	-	-
				24-Jul-22	1.04	-	-	-
				24-Aug-22	1.04	-	-	-
				24-Sep-22	1.04	-	-	-
				24-Oct-22	1.04	-	-	-
				24-Nov-22	1.04	-	-	-
				24-Dec-22	1.04	-	-	-
				24-Jan-23	1.04	-	-	-
				24-Feb-23	1.04	-	-	-
				24-Mar-23	1.04	-	-	-
				24-Apr-23	1.04	-	-	-
				24-May-23	1.04	-	-	-
				24-Jun-23	1.04	-	-	-
				24-Jul-23	1.04	-	-	-
				24-Aug-23	1.04	-	-	-
				24-Sep-23	1.04	-	-	-
				24-Oct-23	1.04	-	-	-
				24-Nov-23	1.04	-	-	-
24-Dec-23	1.04	-	-	-				
24-Jan-24	1.04	-	-	-				
24-Feb-24	1.04	-	-	-				
24-Mar-24	1.04	-	-	-				
Senior, Secured, Rated, Listed, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each	Hypothecation of book debts/receivables maintained at all times at 105% of aggregate principal outstanding. Security creation and Perfection required as per laws and regulations.	INE501X07273	9.50%	24-Sep-23	15.00	-	-	-
Senior, Secured, Rated, Listed, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each	Hypothecation of book debts/receivables maintained at all times at 105% of aggregate principal outstanding. Security creation and Perfection required as per laws and regulations.	INE501X07281	9.90%	24-Mar-24	15.00	-	-	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings  
(Continued)

Particular	Nature of security	ISIN	Rate of interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
					Secured	Unsecured	Secured	Unsecured
Unsecured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1,00,000/- each	No security	INE501X08065	11.25%	30-Apr-23	-	10.00	-	-
<b>Total ^</b>					<b>771.85</b>	<b>130.00</b>	<b>901.62</b>	<b>20.00</b>

^ Excluding of EIR and accrued interest.

14 Borrowings (other than debt securities at amortised cost)	As at March 31, 2022	As at March 31, 2021
<b>Borrowings measured at amortised cost</b>		
Secured		
<b>Term loans</b>		
From banks	108.14	98.30
From other financial institutions	160.14	20.17
External commercial borrowings	206.35	167.45
<b>Liabilities in respect of securitised transactions</b>		
From banks	108.89	60.92
From non-banking financial companies	-	22.04
<b>Loans repayable on demand*</b>		
From banks	14.99	-
<b>Total borrowings (other than debt securities)</b>	<b>598.51</b>	<b>368.88</b>
Borrowings in India	392.16	201.43
Borrowings outside India	206.35	167.45
	<b>598.51</b>	<b>368.88</b>

\* Secured by hypothecation of Loan Receivables (current and future) / cash and cash equivalents of the Company.  
Refer Note 14(i) below for the repayment details along with rate of interest and security details.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing

Particular	Nature of security	Rate of Interest	Date of repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
Dewan Housing Finance Limited	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount.	11.80%	15-May-21	-	-	1.25	-
			15-Aug-21	-	-	1.25	-
			15-Nov-21	-	-	1.25	-
			15-Feb-22	-	-	1.24	-
State Bank of India Loan 2	Hypothecation Assignment of future loan receivables created out of Bank's finance value at 133.33% of the loan amount or loan outstanding.	9.95%	1-Apr-21	-	-	1.15	-
Nabkisan Finance limited	First and exclusive charges over the portfolio of the Company up to the extent of 110% of the outstanding amount at any point of time.	12.25%	1-Apr-21	-	-	1.25	-
			1-Jul-21	-	-	1.25	-
			1-Oct-21	-	-	1.25	-
RBL Bank Ltd	First and exclusive charges over the portfolio of the Company up to the extent of 110% of the outstanding amount at any point of time.	11.80%	14-Apr-21	-	-	0.45	-
			14-May-21	-	-	0.45	-
			14-Jun-21	-	-	0.45	-
			14-Jul-21	-	-	0.45	-
			14-Aug-21	-	-	0.45	-
			14-Sep-21	-	-	0.45	-
			14-Oct-21	-	-	0.45	-
			14-Nov-21	-	-	0.45	-
			14-Dec-21	-	-	0.45	-
14-Jan-22	-	-	0.45	-			
14-Feb-22	-	-	0.45	-			
HDFC bank Limited	First and exclusive charges over the receivables of the Company up to the extent of 125% of the outstanding amount at any point of time.	10.35%	21-Sep-21	-	-	5.00	-
TATA CAPITAL FINANCE LOAN-1	First and exclusive charges over the portfolio of the Company up to the extent of 1.1x of the outstanding amount at any point of time.	11.20%	15-Apr-21	-	-	0.53	-
			15-May-21	-	-	0.54	-
			15-Jun-21	-	-	0.54	-
			15-Jul-21	-	-	0.55	-
			15-Aug-21	-	-	0.55	-
			15-Sep-21	-	-	0.56	-
			15-Oct-21	-	-	0.56	-
15-Nov-21	-	-	0.63	-			
AU Small Finance Bank Loan-3	First and exclusive charges over the portfolio of the Company up to the extent of 1.1x of the outstanding amount at any point of time.	11.34%	3-Apr-21	-	-	0.63	-
			3-May-21	-	-	0.63	-
			3-Jun-21	-	-	0.63	-
			3-Jul-21	-	-	0.63	-
			3-Aug-21	-	-	0.63	-



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
HDFC TERM LOAN	First and exclusive charges over the portfolio of the Company up to the extent of 1.33x of the outstanding amount at any point of time.	9.85%	30-Apr-21	-	-	1.04	-
			31-May-21	-	-	1.04	-
			30-Jun-21	-	-	1.04	-
			31-Jul-21	-	-	1.04	-
			31-Aug-21	-	-	1.04	-
			30-Sep-21	-	-	1.04	-
ResponsAbility ECB	First and exclusive charges over the portfolio of the	11.35%	5-Aug-22	37.90	-	34.50	-
FEDERAL BANK LOAN 1	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount at any point of time.	10.95%	30-Apr-21	-	-	0.30	-
			31-May-21	-	-	0.30	-
			30-Jun-21	-	-	0.30	-
			31-Jul-21	-	-	0.30	-
			31-Aug-21	-	-	0.30	-
			30-Sep-21	-	-	0.30	-
			31-Oct-21	-	-	0.30	-
			30-Nov-21	-	-	0.30	-
			31-Dec-21	-	-	0.30	-
			31-Jan-22	-	-	0.30	-
			28-Feb-22	-	-	0.30	-
			31-Mar-22	-	-	0.30	-
			30-Apr-22	0.30	-	0.30	-
			31-May-22	0.30	-	0.30	-
			30-Jun-22	0.30	-	0.30	-
			31-Jul-22	0.30	-	0.30	-
31-Aug-22	0.30	-	0.30	-			
30-Sep-22	0.30	-	0.30	-			
31-Oct-22	0.30	-	0.30	-			
30-Nov-22	0.30	-	0.30	-			
31-Dec-22	0.40	-	0.40	-			
AU Small Finance Bank Loan-4	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount at any point of time.	12.50%	18-Apr-21	-	-	0.73	-
			18-May-21	-	-	0.73	-
			18-Jun-21	-	-	0.73	-
			18-Jul-21	-	-	0.73	-
			18-Aug-21	-	-	0.73	-
			18-Sep-21	-	-	0.73	-
			18-Oct-21	-	-	0.73	-
			18-Nov-21	-	-	0.73	-
			18-Dec-21	-	-	0.73	-
			18-Jan-22	-	-	0.73	-
			18-Feb-22	-	-	0.73	-
18-Mar-22	-	-	0.73	-			
Hiranandani Financial Services	First rank exclusive and continuing charge by way of Hypothecation borrowers present and future book debt created out of Hiranandani Financial Services Limited Term loan from time to time so as to maintain minimum asset cover of 1.1x times on principal outstanding.	13.00%	4-Apr-21	-	-	0.40	-
			4-May-21	-	-	0.40	-
			4-Jun-21	-	-	0.41	-
			4-Jul-21	-	-	2.81	-
			4-Aug-21	-	-	2.92	-



14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
SIDBI	Exclusive First Charge by way of Hypothecation and Book Debts and receivables of the loans provided by the Borrower to MSMEs which are standard assets in the Books of the Borrower as per extant RBI Guidelines with minimum asset cover of 1.10 times.	6.85%	10-Apr-21	-	-	2.90	-
Invest in Vision ECB-Tranche 1	Hypothecation of book debts/receivables maintained at all times at 60% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	11.05%	29-Sep-23	43.33	-	43.33	-
Invest in Vision ECB-Tranche 2	Hypothecation of book debts/receivables maintained at all times at 60% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	11.10%	29-Jun-23	84.89	-	84.89	-
HDFC Term Loan -2	Exclusive Charge 1.2x cover on book debts of minimum regular repayment of 4 months. Overdue interest accrued, interest not to be considered	9.50%	30-Apr-21	-	-	0.69	-
			31-May-21	-	-	0.69	-
			30-Jun-21	-	-	0.69	-
			31-Jul-21	-	-	0.69	-
			31-Aug-21	-	-	0.69	-
			30-Sep-21	-	-	0.69	-
			31-Oct-21	-	-	0.69	-
			30-Nov-21	-	-	0.69	-
			31-Dec-21	-	-	0.69	-
			31-Jan-22	-	-	0.69	-
			28-Feb-22	-	-	0.69	-
			31-Mar-22	-	-	0.69	-
			30-Apr-22	0.69	-	0.69	-
			31-May-22	0.69	-	0.69	-
			30-Jun-22	0.69	-	0.69	-
			31-Jul-22	0.69	-	0.69	-
			31-Aug-22	0.69	-	0.69	-
			30-Sep-22	0.69	-	0.69	-
			31-Oct-22	0.69	-	0.69	-
			30-Nov-22	0.69	-	0.69	-
			31-Dec-22	0.69	-	0.69	-
			31-Jan-23	0.69	-	0.69	-
			28-Feb-23	0.69	-	0.69	-
31-Mar-23	0.69	-	0.69	-			
30-Apr-23	0.69	-	0.69	-			
31-May-23	0.69	-	0.69	-			
30-Jun-23	0.69	-	0.69	-			
31-Jul-23	0.69	-	0.69	-			
31-Aug-23	0.69	-	0.69	-			
30-Sep-23	0.69	-	0.69	-			





14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
Federal Bank TL-2	Exclusive Charge on specific receivables created out of term loan with a cover of 1.10 times.	9.10%	11-Apr-21	-	-	0.55	-
			11-May-21	-	-	0.55	-
			11-Jun-21	-	-	0.55	-
			11-Jul-21	-	-	0.55	-
			11-Aug-21	-	-	0.55	-
			11-Sep-21	-	-	0.55	-
			11-Oct-21	-	-	0.55	-
			11-Nov-21	-	-	0.55	-
			11-Dec-21	-	-	0.55	-
			11-Jan-22	-	-	0.55	-
			11-Feb-22	-	-	0.55	-
			11-Mar-22	-	-	0.55	-
			11-Apr-22	0.55	-	0.55	-
			11-May-22	0.55	-	0.55	-
			11-Jun-22	0.55	-	0.55	-
			11-Jul-22	0.55	-	0.55	-
			11-Aug-22	0.55	-	0.55	-
			11-Sep-22	0.55	-	0.55	-
			11-Oct-22	0.55	-	0.55	-
			11-Nov-22	0.55	-	0.55	-
			11-Dec-22	0.55	-	0.55	-
			11-Jan-23	0.55	-	0.55	-
			11-Feb-23	0.55	-	0.55	-
			11-Mar-23	0.55	-	0.55	-
11-Apr-23	0.55	-	0.55	-			
11-May-23	0.55	-	0.55	-			
11-Jun-23	0.55	-	0.55	-			
11-Jul-23	0.55	-	0.55	-			
11-Aug-23	0.55	-	0.55	-			
11-Sep-23	0.55	-	0.55	-			
11-Oct-23	0.55	-	0.55	-			
11-Nov-23	0.55	-	0.55	-			
11-Dec-23	0.55	-	0.55	-			
11-Jan-24	0.55	-	0.55	-			
11-Feb-24	0.75	-	0.75	-			
Credit Saison	First and exclusive charges over the portfolio of the Company up to the extent of 1.00x of the outstanding amount.	11.35%	30-Jun-22	2.08	-	-	-
			30-Sep-22	2.08	-	-	-
			31-Dec-22	2.08	-	-	-
			31-Mar-23	2.08	-	-	-
			30-Jun-23	2.08	-	-	-
			30-Sep-23	2.08	-	-	-
			31-Dec-23	2.08	-	-	-
			31-Mar-24	2.08	-	-	-
30-Jun-24	2.08	-	-	-			



14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
CSB Bank Term Loan	Exclusive charge by way of hypothecation of standard loan receivables of the Company (both present and future) created out of loan available from bank with an asset cover of 1.10x on receivables.	9.10%	30-Apr-21	-	-	0.56	-
			31-May-21	-	-	0.56	-
			30-Jun-21	-	-	0.56	-
			31-Jul-21	-	-	0.56	-
			31-Aug-21	-	-	0.56	-
			30-Sep-21	-	-	0.56	-
			31-Oct-21	-	-	0.56	-
			30-Nov-21	-	-	0.56	-
			31-Dec-21	-	-	0.56	-
			31-Jan-22	-	-	0.56	-
			28-Feb-22	-	-	0.56	-
			31-Mar-22	-	-	0.56	-
			30-Apr-22	0.56	-	0.56	-
			31-May-22	0.56	-	0.56	-
			30-Jun-22	0.56	-	0.56	-
			31-Jul-22	0.56	-	0.56	-
			31-Aug-22	0.56	-	0.56	-
			30-Sep-22	0.56	-	0.56	-
			31-Oct-22	0.56	-	0.56	-
			30-Nov-22	0.56	-	0.56	-
			31-Dec-22	0.56	-	0.56	-
			31-Jan-23	0.56	-	0.56	-
			28-Feb-23	0.56	-	0.56	-
			31-Mar-23	0.56	-	0.56	-
			30-Apr-23	0.56	-	0.56	-
			31-May-23	0.56	-	0.56	-
			30-Jun-23	0.56	-	0.56	-
			31-Jul-23	0.56	-	0.56	-
31-Aug-23	0.56	-	0.56	-			
30-Sep-23	0.56	-	0.56	-			
31-Oct-23	0.56	-	0.56	-			
30-Nov-23	0.56	-	0.56	-			
31-Dec-23	0.56	-	0.56	-			
31-Jan-24	0.56	-	0.56	-			
28-Feb-24	0.56	-	0.56	-			
31-Mar-24	0.56	-	0.56	-			
AU Small Finance Bank Loan-5	First and exclusive charges over the portfolio of the Company up to the extent of 1.1x of the outstanding amount.	9.50%	3-May-22	0.63	-	-	-
			3-Jun-22	0.63	-	-	-
			3-Jul-22	0.63	-	-	-
			3-Aug-22	0.63	-	-	-
			3-Sep-22	0.63	-	-	-
			3-Oct-22	0.63	-	-	-
			3-Nov-22	0.63	-	-	-
			3-Dec-22	0.63	-	-	-
			3-Jan-23	0.63	-	-	-
			3-Feb-23	0.63	-	-	-
			3-Mar-23	0.63	-	-	-
			3-Apr-23	0.63	-	-	-
			3-May-23	0.63	-	-	-
			3-Jun-23	0.63	-	-	-
			3-Jul-23	0.63	-	-	-
			3-Aug-23	0.63	-	-	-
			3-Sep-23	0.63	-	-	-
3-Oct-23	0.63	-	-	-			
3-Nov-23	0.63	-	-	-			
3-Dec-23	0.63	-	-	-			
3-Jan-24	0.63	-	-	-			



**14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing**  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
Credit Saison	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	11.00%	15-May-22	2.08	-	-	-
			15-Aug-22	2.08	-	-	-
			15-Nov-22	2.08	-	-	-
			15-Feb-23	2.08	-	-	-
			15-May-23	2.08	-	-	-
			15-Aug-23	2.08	-	-	-
			15-Nov-23	2.08	-	-	-
			15-Feb-24	2.08	-	-	-
			15-May-24	2.08	-	-	-
			15-Aug-24	2.08	-	-	-
			15-Nov-24	2.08	-	-	-
15-Feb-25	2.08	-	-	-			
Maanaveeya Development & Finance Private Limited	First and exclusive charges over the portfolio of the Company up to the extent of 1.00x of the outstanding amount .	10.75%	27-Apr-22	0.76	-	-	-
			27-May-22	0.76	-	-	-
			27-Jun-22	0.76	-	-	-
			27-Jul-22	0.76	-	-	-
			27-Aug-22	0.76	-	-	-
			27-Sep-22	0.76	-	-	-
			27-Oct-22	0.76	-	-	-
			27-Nov-22	0.76	-	-	-
			27-Dec-22	0.76	-	-	-
			27-Jan-23	0.76	-	-	-
			27-Feb-23	0.76	-	-	-
			27-Mar-23	0.76	-	-	-
			27-Apr-23	0.76	-	-	-
			27-May-23	0.76	-	-	-
			27-Jun-23	0.76	-	-	-
			27-Jul-23	0.76	-	-	-
			27-Aug-23	0.76	-	-	-
			27-Sep-23	0.76	-	-	-
			27-Oct-23	0.76	-	-	-
			27-Nov-23	0.76	-	-	-
			27-Dec-23	0.76	-	-	-
27-Jan-24	0.76	-	-	-			
27-Feb-24	0.76	-	-	-			
27-Mar-24	0.76	-	-	-			
27-Apr-24	0.76	-	-	-			
27-May-24	0.76	-	-	-			
27-Jun-24	0.76	-	-	-			
27-Jul-24	0.76	-	-	-			
27-Aug-24	0.76	-	-	-			
27-Sep-24	0.76	-	-	-			
27-Oct-24	0.76	-	-	-			
27-Nov-24	0.76	-	-	-			
27-Dec-24	0.76	-	-	-			
Microvest Capital Management, LLC	First and exclusive charges over the portfolio of the Company up to the extent of 1.00x of the outstanding amount.	10.60%	29-Oct-24	37.52	-	-	-
Northern Arc Capital Ltd.	First and exclusive charges over the portfolio of the Company up to the extent of 1.20x of the outstanding amount.	11.25%	27-Nov-23	9.83	-	-	-
			25-Dec-23	9.98	-	-	-
			25-Jan-24	10.04	-	-	-
			26-Feb-24	10.15	-	-	-



14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
TATA Capital Financial Services Limited	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	10.00%	5-Apr-22	0.50	-	-	-
			5-May-22	0.50	-	-	-
			5-Jun-22	0.50	-	-	-
			5-Jul-22	0.50	-	-	-
			5-Aug-22	0.50	-	-	-
			5-Sep-22	0.50	-	-	-
			5-Oct-22	0.50	-	-	-
			5-Nov-22	0.50	-	-	-
			5-Dec-22	0.50	-	-	-
			5-Jan-23	0.50	-	-	-
			5-Feb-23	0.50	-	-	-
			5-Mar-23	0.50	-	-	-
			5-Apr-23	0.50	-	-	-
			5-May-23	0.50	-	-	-
			5-Jun-23	0.50	-	-	-
			5-Jul-23	0.50	-	-	-
			5-Aug-23	0.50	-	-	-
			5-Sep-23	0.50	-	-	-
			5-Oct-23	0.50	-	-	-
			5-Nov-23	0.50	-	-	-
5-Dec-23	0.50	-	-	-			
5-Jan-24	0.50	-	-	-			
5-Feb-24	0.50	-	-	-			
5-Mar-24	0.50	-	-	-			
SIDBI	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	10.75%	10-Apr-22	2.20	-	-	-
			10-May-22	2.20	-	-	-
			10-Jun-22	2.20	-	-	-
			10-Jul-22	2.20	-	-	-
			10-Aug-22	2.20	-	-	-
			10-Sep-22	2.20	-	-	-
			10-Oct-22	2.20	-	-	-
			10-Nov-22	2.20	-	-	-
10-Dec-22	2.40	-	-	-			
RBL TL-2	First and exclusive charges over the portfolio of the Company up to the extent of 1.20x of the outstanding amount.	9.40%	30-Apr-22	0.67	-	-	-
			31-May-22	0.67	-	-	-
			30-Jun-22	0.67	-	-	-
			31-Jul-22	0.67	-	-	-
			31-Aug-22	0.67	-	-	-
			30-Sep-22	0.67	-	-	-
			31-Oct-22	0.67	-	-	-
			30-Nov-22	0.67	-	-	-
30-Dec-22	0.67	-	-	-			
RBL TL-3	First and exclusive charges over the portfolio of the Company up to the extent of 1.20x of the outstanding amount.	9.35%	27-Apr-22	0.67	-	-	-
			27-May-22	0.67	-	-	-
			27-Jun-22	0.67	-	-	-
			27-Jul-22	0.67	-	-	-
			27-Aug-22	0.67	-	-	-
			27-Sep-22	0.67	-	-	-
			27-Oct-22	0.67	-	-	-
			27-Nov-22	0.67	-	-	-
			27-Dec-22	0.67	-	-	-
			27-Jan-23	0.67	-	-	-
27-Feb-23	0.67	-	-	-			
27-Mar-23	0.67	-	-	-			



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
Piramal Capital & Housing Finance Ltd.	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	11.00%	5-Aug-22	1.43	-	-	-
			5-Sep-22	1.43	-	-	-
			5-Oct-22	1.43	-	-	-
			5-Nov-22	1.43	-	-	-
			5-Dec-22	1.43	-	-	-
			5-Jan-23	1.43	-	-	-
			5-Feb-23	1.43	-	-	-
			5-Mar-23	1.43	-	-	-
			5-Apr-23	1.43	-	-	-
			5-May-23	1.43	-	-	-
			5-Jun-23	1.43	-	-	-
			5-Jul-23	1.43	-	-	-
			5-Aug-23	1.43	-	-	-
			5-Sep-23	1.43	-	-	-
			5-Oct-23	1.43	-	-	-
			5-Nov-23	1.43	-	-	-
			5-Dec-23	1.43	-	-	-
			MAS TL-3	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	10.75%	5-Jan-24	1.43
5-Feb-24	1.43	-				-	-
5-Mar-24	1.43	-				-	-
30-Mar-24	1.43	-				-	-
25-Apr-22	0.21	-				-	-
25-May-22	0.21	-				-	-
10-Jun-22	0.21	-				-	-
25-Jul-22	0.21	-				-	-
25-Aug-22	0.21	-				-	-
23-Sep-22	0.21	-				-	-
25-Oct-22	0.21	-				-	-
25-Nov-22	0.21	-				-	-
23-Dec-22	0.21	-				-	-
25-Jan-23	0.21	-				-	-
24-Feb-23	0.21	-				-	-
24-Mar-23	0.21	-				-	-
25-Apr-23	0.21	-				-	-
25-May-23	0.21	-				-	-
23-Jun-23	0.21	-				-	-
25-Jul-23	0.21	-				-	-
25-Aug-23	0.21	-	-	-			
25-Sep-23	0.21	-	-	-			
25-Oct-23	0.21	-	-	-			
24-Nov-23	0.21	-	-	-			
25-Dec-23	0.21	-	-	-			
25-Jan-24	0.21	-	-	-			
23-Feb-24	0.21	-	-	-			
25-Mar-24	0.21	-	-	-			



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14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowing  
(Continued)

Particular	Nature of security	Rate of Interest	Date of Repayment	As at March 31, 2022		As at March 31, 2021	
				Secured	Unsecured	Secured	Unsecured
MAS TL-4	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	10.75%	25-Apr-22	0.21	-	-	-
			25-May-22	0.21	-	-	-
			10-Jun-22	0.21	-	-	-
			25-Jul-22	0.21	-	-	-
			25-Aug-22	0.21	-	-	-
			23-Sep-22	0.21	-	-	-
			25-Oct-22	0.21	-	-	-
			25-Nov-22	0.21	-	-	-
			23-Dec-22	0.21	-	-	-
			25-Jan-23	0.21	-	-	-
			24-Feb-23	0.21	-	-	-
			24-Mar-23	0.21	-	-	-
			25-Apr-23	0.21	-	-	-
			25-May-23	0.21	-	-	-
			23-Jun-23	0.21	-	-	-
			25-Jul-23	0.21	-	-	-
			25-Aug-23	0.21	-	-	-
			25-Sep-23	0.21	-	-	-
			25-Oct-23	0.21	-	-	-
			24-Nov-23	0.21	-	-	-
25-Dec-23	0.21	-	-	-			
25-Jan-24	0.21	-	-	-			
23-Feb-24	0.21	-	-	-			
25-Mar-24	0.21	-	-	-			
HDFC Bank Ltd	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	8.55%	30-Apr-22	0.83	-	-	-
			31-May-22	0.83	-	-	-
			30-Jun-22	0.83	-	-	-
			31-Jul-22	0.83	-	-	-
			31-Aug-22	0.83	-	-	-
			30-Sep-22	0.83	-	-	-
			31-Oct-22	0.83	-	-	-
			30-Nov-22	0.83	-	-	-
			31-Dec-22	0.83	-	-	-
			31-Jan-23	0.83	-	-	-
			28-Feb-23	0.83	-	-	-
			31-Mar-23	0.83	-	-	-
			30-Apr-23	0.83	-	-	-
			31-May-23	0.83	-	-	-
			30-Jun-23	0.83	-	-	-
			31-Jul-23	0.83	-	-	-
			31-Aug-23	0.83	-	-	-
			30-Sep-23	0.83	-	-	-
31-Oct-23	0.83	-	-	-			
30-Nov-23	0.83	-	-	-			
31-Dec-23	0.83	-	-	-			
31-Jan-24	0.83	-	-	-			
29-Feb-24	0.83	-	-	-			
28-Mar-24	0.83	-	-	-			
DCB Bank	First and exclusive charges over the portfolio of the Company up to the extent of 1.10x of the outstanding amount.	9.50%	30-Apr-22	5.00	-	-	-
			28-Jun-22	10.00	-	-	-
<b>Total</b>				<b>487.99</b>	<b>-</b>	<b>281.74</b>	<b>-</b>

\*The amounts mentioned above represents only principal outstanding on all types of borrowings



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>15 Lease liabilities</b>		
Lease liabilities	23.35	22.70
	<b>23.35</b>	<b>22.70</b>
<b>16 Other financial liabilities</b>		
<b>At amortised cost</b>		
Employee benefit payable	1.64	0.72
Expenses payable	8.02	4.95
DSRA payable	22.89	-
Payables on purchase of property, plant and equipment	0.23	0.37
	<b>32.78</b>	<b>6.04</b>
<b>17 Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	9.24	7.45
Provision for compensated absences	3.89	5.31
Provision for bonus	10.00	10.17
<b>Other provisions</b>		
Provision for dividend on CCPS	0.01	0.01
	<b>23.14</b>	<b>22.94</b>
<b>18 Other non-financial liabilities</b>		
Statutory dues payable	4.52	4.10
EMI and interest received in advance from customers (including Pre EMI)	1.83	8.40
	<b>6.35</b>	<b>12.50</b>



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

19 Equity share capital	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
55,00,000 (March 31, 2021: 55,00,000 Shares) Equity shares of Rs. 10 each with voting rights	5.50	5.50
2,91,00,000 (March 31, 2021: 2,91,00,000 Shares) Compulsorily Convertible Cumulative Preference shares (CCPS) of Rs. 10 each	29.10	29.10
	<b>34.60</b>	<b>34.60</b>
<b>Issued, subscribed and paid-up</b>		
48,30,500 (March 31, 2021: 48,30,500 Shares) Equity shares of Rs. 10 each with voting rights	4.83	4.83
Less: amount recoverable from ESOP Trust (face value of 5,60,294 shares of Rs. 10 each held by trust) (March 31, 2021: 5,60,294)	(0.56)	(0.56)
26,182,448 Shares (March 31, 2021: 2,61,82,448 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each	26.18	26.18
	<b>30.45</b>	<b>30.45</b>

**Details of shares held by promoters\*\***

**As at March 31, 2022**

S. No.	Promoter name	No. of shares	% of total shares	% change during the year
Nil	Nil	Nil	Nil	Nil

**As at March 31, 2021**

S. No.	Promoter name	No. of shares	% of total shares	% change during the year
Nil	Nil	Nil	Nil	Nil

\*\* Disclosure is given as per annual return filed under section 92 of the Companies Act, 2013 for the year ending March 31, 2021

**19.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>As at March 31, 2021</b>			
<b>Equity shares with voting rights</b>			
No. of shares	48,30,500	-	48,30,500
Amount	4.83	-	4.83
<b>0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)</b>			
No. of shares	2,27,72,648	34,09,800	2,61,82,448
Amount	22.77	3.41	26.18
<b>As at March 31, 2022</b>			
<b>Equity shares with voting rights</b>			
No. of shares	48,30,500	-	48,30,500
Amount	4.83	-	4.83
<b>0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)</b>			
No. of shares	2,61,82,448	-	2,61,82,448
Amount	26.18	-	26.18





**Aye Finance Private Limited (CIN: U65921DL1993PTC283660)**

**Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**19 Equity share capital**

(Continued)

**19.2 Terms, rights, preferences and restrictions attached to shares:**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

- 19.3** As on March 31, 2022, the Company has 2,068,764 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 19.00 per share. These shares have been allotted between SAIF Partners India V Limited and Action Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A Shareholders Agreement dated January 29, 2015 executed by the Company with SAIF Partners India V Limited and Action Africa - Asia Investment Company. (Series A)
- 19.4** As on March 31, 2022, the Company has 880,718 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 per share. These shares have been allotted between SAIF Partners India V Limited and Action Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Action Africa - Asia Investment Company. (Series A1)
- 19.5** As on March 31, 2022, the Company has 1,335,756 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 per share. These shares have been allotted between SAIF Partners India V Limited and Action Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Action Africa - Asia Investment Company. (Series A1)
- 19.6** As on March 31, 2022, the Company has 719,252 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 per share. These shares have been allotted between SAIF Partners India V Limited and Action Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Action Africa - Asia Investment Company. (Series A1)
- 19.7** As on March 31, 2022, the Company has 6,556,360 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 96.76 per share. These shares have been allotted between SAIF Partners India V Limited and Action Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series B Shareholders Agreement dated 13th October, 2016 executed by the Company with SAIF Partners India V Limited and Action Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP. (Series B)
- 19.8** As on March 31, 2022, the Company has 5,736,709 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 246.24 per share. These shares have been allotted between SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series C Shareholders Agreement dated May 24, 2018 executed by the Company with SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP. (Series C)
- 19.9** As on March 31, 2022, the Company has 54,75,089 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 416.70 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series D Shareholders Agreement dated 14th February, 2019 executed by the Company with SAIF Partners India V Limited, Action Africa - Asia Investment Company, LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S. (Series D)
- 19.10** As on March 31, 2022, the Company has 34,09,800 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 605.87 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG International LLC, Falcon Edge India I LP, A91 Emerging Fund I LLP and MAJ Invest Financial Inclusion Fund II K/S. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series E Shareholders Agreement dated June 08, 2020 executed by the Company with SAIF Partners India V Limited, A91 Emerging Fund I LLP, LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, CapitalG International LLC, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S. (Series E)
- 19.11** The holders of the Series A, Series A1 CCPS, Series B CCPS, Series C CCPS, Series D CCPS and Series E CCPS may convert the CCPS in whole or part into equity shares at any time before 19 (Nineteen) years from the date of issuance of the same.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**19 Equity share capital**

(Continued)

**19.12 Details of equity shares held by each shareholder holding more than 5% shares in the Company:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	%	Number of shares held	%
<b>Equity shares with voting rights</b>				
Sanjay Sharma	9,79,750	19.77%	9,54,750	19.77%
Shankh Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Shvet Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Vikram Jetley	6,31,000	13.06%	6,31,000	13.06%
Aye Finance Employee Welfare Trust	5,60,294	11.60%	5,60,294	11.60%
Namrata Sharma	2,61,965	5.42%	2,61,965	5.42%
<b>0.01% Compulsorily Convertible Cumulative Preference shares</b>				
SAIF Partners India V Limited	61,59,852	23.53%	61,59,852	23.53%
LGT Capital Invest Mauritius PCC with Cell E/VP	53,90,925	20.59%	53,90,925	20.59%
CapitalG LP	39,37,237	15.04%	39,37,237	15.04%
MAJ Invest Financial Inclusion Fund II K/S	22,04,985	8.42%	22,04,985	8.42%
Falcon Edge India I LP	41,31,987	15.78%	41,31,987	15.78%
A91 Emerging Fund I LLP	32,00,565	12.22%	32,00,565	12.22%

**19.13 Number of shares reserved for share options**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Equity shares of Rs. 10 fully paid up		
Number of shares reserved for ESOPs	<b>6,67,921</b>	<b>6,07,323</b>

**19.14 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares**

The Company have not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

**19.15 Shares bought back**

Company have not bought back any of its securities during the five year period immediately preceding the reporting date.



19 Equity share capital  
(Continued)

20 Other equity	As at March 31, 2022	As at March 31, 2021
<b>Securities premium</b>		
Opening balance	659.34	452.78
Add: Premium on shares issued during the period	-	206.56
<b>Closing balance</b>	<b>659.34</b>	<b>659.34</b>
<b>ESOP reserve account</b>		
Opening balance	7.45	4.22
Add: Deferred stock compensation expense (net)	4.05	3.53
Less: Utilisation of deferred stock compensation expense	-	(0.30)
<b>Closing balance</b>	<b>11.50</b>	<b>7.45</b>
<b>Statutory reserve</b>		
Balance as per the last financial statements	15.13	11.75
Add: Amount transferred from surplus of profit and loss	-	3.38
<b>Closing balance</b>	<b>15.13</b>	<b>15.13</b>
<b>Surplus/ (Deficit) in statement of profit and loss</b>		
Opening balance	34.81	20.92
Add: Profit for the year	(45.72)	16.89
Less: Transfer to statutory Reserve [@ 20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 1934]	-	(3.00)
<b>Closing balance</b>	<b>(10.91)</b>	<b>34.81</b>
<b>Other comprehensive income</b>		
Opening balance	(0.48)	(0.38)
Add : Comprehensive income for the year	0.98	(0.10)
<b>Closing balance</b>	<b>0.50</b>	<b>(0.48)</b>
<b>Total other equity</b>	<b>675.56</b>	<b>716.25</b>

**Nature and purpose of reserves:**

**Statutory reserves**

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

**Securities Premium reserves**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Employee stock outstanding account**

In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The Company has approved stock option scheme on September 11, 2018 as amended from time to time. The Administrator (i.e. Nomination and Remuneration Committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP scheme, each option consist of one equity share.

Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to the conditions prescribed in the ESOP scheme as amended from time to time.

**Surplus / (deficit) in statement of profit and loss**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserves.

**Other comprehensive income**

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>21 Interest income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on loans to customers	402.90	467.15
Interest on deposits with banks	12.49	15.36
	<b>415.39</b>	<b>482.51</b>
<b>22 Fees and commission income</b>		
Servicing fee	0.01	0.08
Delay payment charges, registration charges, cheque dishonour charges etc.	8.03	8.07
	<b>8.04</b>	<b>8.15</b>
<b>23 Net gain on fair value changes</b>		
<b>Investments</b>		
Loss on currency fluctuation	0.52	0.01
Gain on sale of mutual funds	7.97	4.60
	<b>8.49</b>	<b>4.61</b>
<b>Realised</b>	7.78	2.99
<b>Unrealised</b>	0.71	1.62
	<b>8.49</b>	<b>4.61</b>
<b>24 Other income</b>		
Miscellaneous income	11.57	4.15
	<b>11.57</b>	<b>4.15</b>
<b>25 Finance cost</b>		
<b>Interest on:</b>		
Debt securities	106.89	115.01
Borrowings (other than debt securities)	42.63	111.08
Lease liabilities	2.77	1.81
Delayed payment of statutory dues	0.01	0.01
Other finance cost	6.25	7.24
	<b>158.55</b>	<b>235.15</b>
<b>26 Net loss on fair value changes</b>		
Loss on fair value of cross currency swap	2.10	5.08
	<b>2.10</b>	<b>5.08</b>



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>27 Impairment on financial instruments</b>		
<b>Measured at amortised cost</b>		
Impairment on financial instruments at amortised cost	6.22	18.20
Amounts written off (net of recovery)	113.21	36.86
Loss on settlement	1.67	-
	<b>121.10</b>	<b>55.06</b>
<b>28 Employee benefits expense</b>		
Salaries and wages	145.34	117.82
Contribution to provident and other funds	12.19	9.32
Expense on employee stock option (ESOP) scheme [Refer Note 38]	4.05	3.53
Staff welfare expenses	10.64	7.75
Gratuity expenses	3.54	3.02
	<b>175.76</b>	<b>141.44</b>
<b>29 Other expenses</b>		
Rates and taxes	0.75	0.13
Communication costs	4.15	3.02
Printing and stationery	1.55	0.75
Legal and professional charges	6.16	3.54
Directors fees	0.22	0.33
Payment to auditors [Refer Note (i) below]	0.87	0.46
Corporate social responsibility (CSR)	1.04	0.51
Membership and subscription fees	4.79	3.18
Travel and conveyance	13.02	12.11
Tour and travelling	2.85	0.93
Electricity expenses	0.77	0.45
Office expenses	3.90	3.21
Bank charges	1.00	1.28
Loss on sale of property, plant and equipment's	0.02	-
Miscellaneous expenses	2.33	0.22
	<b>43.42</b>	<b>30.12</b>
<b>(i) Payment to auditors</b>		
Statutory audit	0.46	0.28
Limited review	0.25	0.10
Tax audit	0.04	0.02
Other certifications	0.13	0.06
	<b>0.87</b>	<b>0.46</b>



**Aye Finance Private Limited****Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**30 Disclosure pertaining to corporate social responsibility expenses**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Amount required to be spent by the Company during the year	0.65	0.51
Amount spent during the year ending on March 31, 2022		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	1.04	0.51

(a) Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (refer note no 35).

(b) The Company has undertaken CSR Activities as per schedule VII of the Companies Act, 2013.

**31 Earnings per share**

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(Loss) / Profit attributable to equity holders	(45.72)	16.79
Less: Preference dividend	-	-
Net (Loss) / Profit attributable to equity holders	(45.72)	16.79
Weighted average number of equity shares outstanding during the year - for Basic EPS	3,10,12,948	3,00,32,047
Effect of dilutive potential equity share equivalent	4,47,091	4,08,170
Weighted average number of equity shares outstanding during the year - for Dilutive EPS	3,14,60,039	3,04,40,217
Basic earnings per share (Rs.)	(14.74)	5.58
Diluted earnings per share (Rs.)	(14.74)	5.51
Nominal value per share (Rs.)	10.00	10.00

**32 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(i) <b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.10	-
Commitments related to loans sanctioned but not disbursed	7.95	0.73

(ii) During the previous year, the Company has received a demand for income tax under Income Tax Act, 1961 for rupees 2.44 crores for the assessment year 2017-18. The order is disputed by the Company and the Company had filed an appeal before Commissioner of Income Tax Appeals and has deposited rupees 0.48 crores as demand against protest. Based on the opinion received from the Company's consultant, the Company believes that the likelihood of materialising the liability may arise.



**Aye Finance Private Limited****Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**33 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. granting loans, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, the Company is operating in India which is considered as a single geographical segment.

**34 Employee benefits****34.1 Defined contribution plans**

The Company makes Provident Fund to defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised rupees 12.19 crores (March 31, 2021: rupees 9.32 crores) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**34.2 Other long-term benefits**

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation. The Company recognised rupees 3.21 crores (March 31, 2021: rupees 2.48 crores) for compensated absences in the statement of profit and loss.

**34.3 Defined benefit plans**

The Company's gratuity scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service or part thereof in excess of six months in terms of provisions of Gratuity Act, 1972. Vesting occurs upon completion of five years of service.

The present value of defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet:

**(i) Amount recognised in the statement of profit and loss and other comprehensive income:**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Current service cost	3.04	2.72
Interest expense	0.50	0.30
Amount recognised in the statement of profit and loss	<b>3.54</b>	<b>3.02</b>
Remeasurement of defined benefit liability:		
Actuarial (gain) / loss from changes in demographic assumptions	0.51	(0.21)
Actuarial (gain) / loss from changes in financial assumptions	(0.67)	-
Actuarial (gain) / loss from experience adjustments	(1.15)	0.34
Amount recognised in other comprehensive income	<b>(1.31)</b>	<b>0.13</b>
	<b>2.23</b>	<b>3.15</b>



**Aye Finance Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**34 Employee benefits**

(Continued)

**34.3 Defined benefit plans**

(Continued)

**(ii) Reconciliation of fair value plan assets and defined benefit obligation**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Defined benefit obligation	9.24	7.45
Net defined asset / (liability) recognised in the balance sheet	<u>9.24</u>	<u>7.45</u>

**(iii) Actual contributions and benefit payments during the year**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Actual benefit payments	(0.44)	(0.19)

**(iv) Changes in the present value of the defined benefit obligation are as follows:**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Defined benefit obligation at beginning of the year	7.45	4.49
Current service cost	3.04	2.72
Past service cost	-	-
Interest expense	0.50	0.30
<b>Remeasurement (gains) / losses</b>		
Actuarial (gain) / loss from changes in financial assumptions	(0.67)	-
Actuarial (gain) / loss from experience adjustments	(1.15)	0.34
Actuarial (gain) / loss from changes in demographic assumptions	0.51	(0.21)
Benefits paid	(0.44)	(0.19)
Defined benefit obligation at end of the year	<u>9.24</u>	<u>7.45</u>

**(v) Changes in the fair value of plan assets are as follows:**

Fair value of plan assets at beginning of the year	-	-
Fair value of plan assets at end of the year	<u>-</u>	<u>-</u>

**34.4 The principal assumptions used in determining obligations for the Company's plan are shown below:**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discount rate (in %)	7.26%	6.76%
Future salary increase (in %)	10.00%	10.00%
Retirement age	60.00	60.00
<b>Demographic assumptions</b>		
<b>Attrition</b>		
Upton 30 years	34.20%	26.10%
31-44 years	4.70%	7.53%
Above 44 years	0.98%	0.27%
<b>Mortality</b>	<b>IALM (2012-14)</b>	<b>IALM (2012-14)</b>

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.





**34.4 The principal assumptions used in determining obligations for the Company's plan are shown below:**

(Continued)

**Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Present value of obligation at the end of the period	9.24	7.45
Effect of +50 basis points in rate of discounting	(0.73)	(0.56)
Effect of -50 basis points in rate of discounting	0.82	0.63
Present value of obligation at the end of the period	9.24	7.45
Effect of +50 basis points in rate of salary increase	0.75	0.57
Effect of -50 basis points in rate of salary increase	(0.68)	(0.52)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/(loss) adjustments on plan liabilities	Estimated gain/(loss) adjustments on plan assets
2021-22	9.24	-	(1.15)	-
2020-21	7.45	-	0.34	-
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-

**34.5 Risk exposure:**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Interest risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity risk:** This is the risk that the Company is not able to meet the short-term / long term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).



**Aye Finance Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**35 Related party disclosures**

Disclosures in accordance with the requirements of Ind AS 24 on Related Party Disclosures, as identified and certified by the management, are set out as below:

**35.1 Details of related parties:**

Description of relationship	Names of related parties
<b>Key Managerial Personnel (KMP)</b>	Mr. Sanjay Sharma - Managing Director
	Mr. Samir Mehta - Deputy CEO, w.e.f. August 03, 2020
	Mr. Mayank Shyam Thatte - Chief Financial Officer, w.e.f. June 25, 2021
	Mr. Vikram Jetley – Whole time Director, till April 19, 2020
	Mr. Vikram Jetley – Non-executive Director, from April 20, 2020 till January 01, 2022
	Mr. Ashish Sharma- Chief Financial Officer, till April 16, 2021
<b>Independent directors</b>	Mr. Navin Kumar Maini
	Ms. Kanika Tandon Bhal
	Mr. Vinay Baijal
<b>Entities over which KMP's have significant influence</b>	Aye Finance Employee Welfare Trust
	Strategic Resource till May 31, 2020
<b>Entities exercising significant influence over the Company</b>	Elevation Capital V Limited (formerly known as SAIF Partners India V Ltd.)
	Falcon Edge India I LP
	A91 Emerging Fund I LLP
	LGT Capital Invest Mauritius PCC with Cell E/VP
	CapitalG LP
	CapitalG International LLC
<b>Subsidiary Company</b>	Foundation for Advancement of Micro Enterprises (Section 8 Company)
<b>Relatives of KMP</b>	Ms. Namrata Sharma

**35.2 Details of related party transactions during the year ended March 31, 2022 and outstanding balance as at March 31, 2022:**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Managerial remuneration</b>		
Short-term employee benefits	6.63	6.73
Post employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
(a) Excluding provision for gratuity and compensated absences as the same are actuarially determined for the Company as a whole and thus not separately ascertainable for the Director		
(b) The above detail doesn't include employees stock options plan cost charged in profit and loss account		
<b>(ii) Director's sitting fee</b>	0.22	2.05
<b>(iii) Shares issued during the year</b>		
Entities exercising significant influence over the Company		
A91 Emerging Fund I LLP	-	0.49
LGT Capital Invest Mauritius PCC	-	0.91
CapitalG International LLC	-	1.16
Falcon Edge India I LP	-	0.49
<b>(iv) Security premium received</b>		
Entities exercising significant influence over the Company		
A91 Emerging Fund I LLP	-	29.51
LGT Capital Invest Mauritius PCC	-	55.34
CapitalG International LLC	-	70.09
Falcon Edge India I LP	-	29.51



**Aye Finance Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**35.2 Details of related party transactions during the year ended March 31, 2022 and outstanding balance as at March 31, 2021:**

(Continued)

**(v) Dividend on 0.01% on CCPS**

Particulars	As at March 31, 2022	As at March 31, 2021
Entities exercising significant influence over the Company		
SAIF Partners India V Limited	-	0.0006
CapitalG International LLC	-	0.0001
A91 Emerging Fund I LLP	-	0.0003
LGT Capital Invest Mauritius PCC	-	0.0005
CapitalG LP	-	0.0004
Falcon Edge India I LP	-	0.0004

**(vi) Corporate social responsibility**

Particulars	As at March 31, 2022	As at March 31, 2021
Foundation for Advancement of Micro Enterprises (FAME)	1.00	0.41
	<b>1.00</b>	<b>0.41</b>

**(vii) Balance outstanding at the end of the year**

**(a) Long term loans and advances**

Particulars	As at March 31, 2022	As at March 31, 2021
Aye Finance Employee Welfare Trust	0.13	0.13
	<b>0.13</b>	<b>0.13</b>

**(b) Investment in subsidiary company**

Particulars	As at March 31, 2022	As at March 31, 2021
Foundation for Advancement of Micro Enterprises (FAME)	0.25	0.25
	<b>0.25</b>	<b>0.25</b>

**(c) Equity shares outstanding**

Particulars	As at March 31, 2022	As at March 31, 2021
Mr. Sanjay Sharma	0.98	0.98
Ms. Namrata Sharma	0.26	0.26
	<b>1.24</b>	<b>1.24</b>

**(viii) Loans and advances in nature of loans are granted 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**

Type of borrower	Amount of loan or advance in nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Nil	Nil	Nil

**(ix) All the related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors for approval and review on quarterly basis.**



Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

36 Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	0.06	0.01
	<b>0.06</b>	<b>0.01</b>

As at March 31, 2022

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Projects in progress</b>					
Mobile app	0.06	-	-	-	0.06
<b>Projects temporarily suspended</b>					
Nil	-	-	-	-	-
	-	-	-	-	<b>0.06</b>

As at March 31, 2021

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
<b>Projects in progress</b>					
Mobile app	-	0.01	-	-	0.01
<b>Projects temporarily suspended</b>					
Nil	-	-	-	-	-
	-	<b>0.01</b>	-	-	<b>0.01</b>

37 Ratio analysis and it's elements\*\*

Ratio	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for Variance (if above 25%)
(a) Capital to risk -weighted assets ratio (CRAR)	36.03%	41.18%	(12.50)%	Not applicable
(b) Tier I CRAR	36.03%	41.18%	(12.50)%	Not applicable
(c) Tier II CRAR	0.00%	0.00%	0.00%	Not applicable
(d) Liquidity coverage ratio	Not applicable	Not applicable	Not applicable	Not applicable

\*\* Based on the requirement of the Schedule III



**Aye Finance Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2022**  
(All amounts are in Rs. crores unless otherwise stated)

**38 Employee share based payments**

The Company at its Extra Ordinary General Meeting held on November 29, 2016 had approved an Employee Stock Option Plan 2016 ('the Plan') and had authorised the Company to issue stock options under the above plan. The Company has provided loan to Aye Finance Employee Welfare Trust for purchase of 5,60,294 Equity shares (ESOP Shares) from the existing shareholders. In October 2020 the ESOP plan 2016 was discontinued and balance 155,751 shares of ESOP pool were transferred to a new ESOP plan. In financial year 2020, the Company approved a new employee stock option plan 2020 ('the ESOP 2020 Plan') and authorised the Company to issue stock options under the above plan. The Company has provided loans to Aye Finance Employee Welfare Trust for purchase of 632,918 Equity shares from the existing shareholder.

The vesting period is 4 years (with 25% each year) commencing from the date of grant of options. It is the intention of the Company that the options shall exercise on the day after the listing of the shares pursuant to the liquidity event as defined in the ESOP scheme. During the year, the Company has granted 226,481 options on Jan 02, 2021. Fair valuation has been carried at the grant date using the Black-Scholes model. The shares of the Company are not listed on any stock exchange. Accordingly, the expected median volatility for listed peer group has been considered.

Advance of Rs. 1.75 crores paid to the Aye Finance Welfare Trust for subscribing to the shares of the Company has been adjusted for Rs 0.56 Crores in Note 20 being the face value of shares issued to the trust and Rs 1.06 crores with Securities Premium account in Note 21 being the premium at which the shares were issued.

**Employee stock options details as on the balance sheet date are as follows:**

Particulars	As at March 31, 2022									
	02-Jan-17	02-Jun-17	02-Jan-18	02-Jul-18	02-Jul-19	02-Jul-20	02-Jan-21	02-Jan-22		
Grant date	2016	2016	2016	2016	2016	2016	2020	2020		
ESOP plan	29,00	29,00	29,00	29,00	29,00	29,00	615.87	615.87		
Exercise price (Rs. per option)	1,09,076	5,307	26,655	3,851	2,47,761	6,823	2,07,850	-		
Outstanding as at the beginning of the year	-	-	-	-	-	-	-	-		
Options granted	-	-	-	-	-	-	-	1,18,954		
Options vested and exercisable	-	-	-	-	-	-	-	-		
Options unvested	-	-	-	-	-	-	-	-		
Options lapsed	-	-	2,800	-	44,126	-	11,430	-		
<b>Options outstanding</b>	<b>1,09,076</b>	<b>5,307</b>	<b>23,855</b>	<b>3,851</b>	<b>2,03,635</b>	<b>6,823</b>	<b>1,96,420</b>	<b>1,18,954</b>		

Particulars	As at March 31, 2021									
	02-Jan-17	02-Jun-17	02-Jan-18	02-Jan-18	02-Jul-18	02-Jul-19	02-Jul-20	02-Jan-21		
Grant date	2016	2016	2016	2016	2016	2016	2020	2020		
Exercise price (Rs. per option)	1,09,076	5,307	32,483	3,851	2,92,275	-	-	-		
Outstanding at the beginning of the year	-	-	-	-	-	-	-	-		
Options granted	-	-	-	-	-	-	6,823	2,26,481		
Options vested and exercisable	-	-	-	-	-	-	-	-		
Options unvested	-	-	-	-	-	-	-	-		
Options lapsed	-	-	5,828	-	-	-	-	-		
<b>Option outstanding</b>	<b>1,09,076</b>	<b>5,307</b>	<b>26,655</b>	<b>3,851</b>	<b>2,47,761</b>	<b>6,823</b>	<b>6,823</b>	<b>18,631</b>		



**Aye Finance Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**38 Employee share based payments**  
(Continued...)

**Weighted average fair value of stock options granted during the year is as follows:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	02-Jan-22	02-Jul-20	02-Jan-21	02-Jan-21
Grant date	02-Jan-22	02-Jul-20	02-Jan-21	02-Jan-21
Number of options granted	1,18,954	6,823	2,26,481	2,26,481
Weighted average fair value (Rs.)	251.00	592.60	245.03	245.03

**Method used for accounting for share based payment plan**

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (Rs.)	Conversion Ratio
02-Jan-17	4.89%	4 Years	41.97%	0%	72.00	1:1
02-Jun-17	4.89%	4 Years	41.97%	0%	72.00	1:1
02-Jan-18	4.89%	4 Years	41.97%	0%	111.43	1:1
02-Jul-18	4.89%	4 Years	41.97%	0%	256.24	1:1
02-Jul-19	4.89%	4 Years	41.97%	0%	447.37	1:1
02-Jul-20	4.89%	4 Years	41.97%	0%	615.87	1:1
02-Jan-21	5.04%	4 Years	42.44%	0%	615.87	1:1
02-Jan-22	5.66% (3-years) 6.09% (4-years)	3 to 4 years	48.96%	0%	615.87	1:1

\*\*The share of the company are not listed on any stock exchange accordingly, the expected median volatility for listed peer group has been considered.  
# FV of shares of the Company is the fair value of the shares of the Company as on the grant date.



**39 Income taxes**

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	10.15
Tax for earlier years	(5.63)	(1.50)
<b>Total current tax (benefit) / expense</b>	<b>(5.63)</b>	<b>8.65</b>
<b>Deferred tax</b>		
Credit recognised in statement of profit and loss	(16.06)	(2.26)
<b>Total deferred tax expense / (benefit)</b>	<b>(16.06)</b>	<b>(2.26)</b>
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(21.69)</b>	<b>6.39</b>
<b>Deferred tax relating to other comprehensive income</b>	<b>0.33</b>	<b>(0.03)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit from continuing operations before income tax expense	(67.41)	23.28
Applicable tax rate	25.17%	25.17%
Computed tax (gain) / expense	(16.97)	5.86
<b>Tax effect of :</b>		
Expenses disallowed permanent nature	0.91	0.94
Impact of deduction to NBFC u/s 36	-	(4.15)
Expense disallowed of temporary differences	-	7.50
Deferred tax credit on temporary differences	-	(2.26)
Tax for earlier years	(5.63)	(1.50)
<b>Total tax expense / (income) recognised in total comprehensive income</b>	<b>(21.36)</b>	<b>6.36</b>
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(21.69)</b>	<b>6.39</b>
<b>Income tax recognised in other comprehensive income</b>	<b>0.33</b>	<b>(0.03)</b>



Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

39 Income taxes

(Continued)

(c) Deferred tax assets / liabilities

Components of deferred tax assets / (liabilities)	As at March 31, 2021	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2022
Measurement of financial assets at amortised cost	28.05	(1.80)	-	-	26.25
Measurement of financial liabilities at amortised cost	(2.14)	(1.33)	-	-	(3.47)
Difference in book balance of property, plant and equipment as per the Companies Act and the Income Tax Act	0.70	-	-	-	0.70
Provision for gratuity and compensated absences	2.96	1.17	(0.33)	-	3.80
Income tax losses	-	16.97	-	-	16.97
Others	2.03	1.05	-	-	3.08
	<b>31.60</b>	<b>16.06</b>	<b>(0.33)</b>	<b>-</b>	<b>47.33</b>

Components of deferred tax assets / (liabilities)	As at March 31, 2020	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2021
Measurement of financial assets at amortised cost	29.83	(1.78)	-	-	28.05
Measurement of financial liabilities at amortised cost	(2.54)	0.40	-	-	(2.14)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.52	0.18	-	-	0.70
Provision for gratuity and compensated absences	1.37	1.56	0.03	-	2.96
Others	0.13	1.90	-	-	2.03
	<b>29.31</b>	<b>2.26</b>	<b>0.03</b>	<b>-</b>	<b>31.60</b>

40 The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

41 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company.

42 The Company does not have any year end unhedged foreign currency exposures.

43 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from April 1, 2022.





**Aye Finance Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2022**

(All amounts are in Rs. crores unless otherwise stated)

**44 Disclosures relating to securitisation**

**44.1** The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

Sr. No.	Particulars	As at	
		March 31, 2022	March 31, 2021
(1)	Total number of transactions entered during the year	3.00	-
(2)	Total number of loan assets	17,341.00	-
(3)	Total book value of loan assets	120.71	-
(4)	Sale consideration received	107.49	-

**44.2** Disclosure pursuant to RBI notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021: Details of securitisation transactions:

Sr. No.	Particulars	As at	
		March 31, 2022	March 31, 2021
(1)	No. of SPV's sponsored by NBFC for securitisation transactions	3.00	8.00
(2)	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	102.34	134.33
(3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	<b>Off-balance sheet exposures</b>		
	(a) First loss	-	-
	(b) Others	-	-
	<b>On-balance sheet exposures</b>		
	(a) First loss	9.44	40.23
	(b) Others (MRR including securitisation investments)	11.67	45.29
(4)	Amount of exposures to securitization transactions other than MRR		
	<b>Off-balance sheet exposures</b>		
	Exposure to own securitization		
	(a) First loss	-	-
	(b) Loss	-	-
	<b>Exposure to third party securitisation</b>		
	(a) First loss	-	-
	(b) Loss	-	-
	<b>On-balance sheet exposures</b>		
	Exposure to own securitization		
	(a) First loss	-	-
	(b) Loss	-	-
	<b>Exposure to third party securitisation</b>		
	(a) First loss	-	-
	(b) Loss	-	-
(5)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	107.49	-
(6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
(7)	Performance of facility provided		
	Credit enhancement facility		
	Fixed deposit		
	(a) Amount paid	9.44	-
	(b) Repayment received	-	-
	(c) Outstanding amount	9.44	-
(8)	Average default rate of portfolios observed in the past	0.90%	-
(9)	Amount and number of additional / top up loan given on same underlying asset	-	-
(10)	Investor complaints		
	(a) Directly / Indirectly received and;	Nil	Nil
	(b) Complaints outstanding	Nil	Nil



*(Handwritten signature)*

45 Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD. No. 367/03.10.01/2013-14 dated January 23, 2014

45.1 For the year March 31, 2022

Sr. No.	Type of Restructuring Asset Classification Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total																				
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total																
(1)	Restructured accounts as on April 1 of the FY (opening figures)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	245.00	213.00	32.00	-	-	-	-	245.00	213.00	32.00	-	-	-	-	245.00	
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.04	2.81	0.23	-	-	-	-	3.04	2.81	0.23	-	-	-	-	3.04
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.06	1.01	0.05	-	-	-	-	1.06	1.01	0.05	-	-	-	-	1.06
(2)	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	392.00	-	392.00	-	-	-	-	392.00	-	392.00	-	-	-	-	392.00
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	425.80	-	425.80	-	-	-	-	425.80	-	425.80	-	-	-	-	425.80
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174.61	-	174.61	-	-	-	-	174.61	-	174.61	-	-	-	-	174.61
(3)	Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	321.00	(321.00)	-	-	-	-	-	321.00	(321.00)	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133.22	(133.22)	-	-	-	-	-	133.22	(133.22)	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74.46	(74.46)	-	-	-	-	-	74.46	(74.46)	-	-	-	-	-	-
(4)	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(341.00)	-	(341.00)	-	-	-	-	(341.00)	-	(341.00)	-	-	-	-	(341.00)
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(161.67)	-	(161.67)	-	-	-	-	(161.67)	-	(161.67)	-	-	-	-	(161.67)
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(86.35)	-	(86.35)	-	-	-	-	(86.35)	-	(86.35)	-	-	-	-	(86.35)
(5)	Down gradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.00)	37.00	-	-	-	-	(37.00)	37.00	-	(37.00)	37.00	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52.37)	52.37	-	-	-	-	(52.37)	52.37	-	(52.37)	52.37	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.60)	12.60	-	-	-	-	(12.60)	12.60	-	(12.60)	12.60	-	-	-	-
(6)	Write-offs of restructured accounts during the FY*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.00	91.00	-	-	-	-	49.00	91.00	-	49.00	91.00	-	-	-	140.00
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85.94	100.18	-	-	-	-	85.94	100.18	-	85.94	100.18	-	-	-	186.12
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.40	75.67	-	-	-	-	17.40	75.67	-	17.40	75.67	-	-	-	93.07
(7)	Restructured accounts as on March 31 of the FY (closing figures*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416.00	20.00	-	-	-	-	416.00	20.00	-	416.00	20.00	-	-	-	436.00
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	431.14	22.14	-	-	-	-	431.14	22.14	-	431.14	22.14	-	-	-	453.28
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167.57	14.82	-	-	-	-	167.57	14.82	-	167.57	14.82	-	-	-	182.39

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

\* Write offs amount during the year have zero outstanding balance as on March 31, 2022





**Aye Finance Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**46 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	152.84	-	152.84	179.45	-	179.45
Bank balance other than cash and cash equivalents	212.08	12.14	224.22	165.82	2.18	168.00
Derivative financial instruments	-	-	-	-	-	-
Loans	905.99	781.72	1,687.71	760.31	740.46	1,500.77
Investments	155.11	-	155.11	-	198.17	198.17
Other financial assets	4.66	2.43	7.09	16.68	-	16.51
			-			-
<b>Non-financial assets</b>						
Current tax assets (Net)	-	8.83	8.83	-	0.37	0.38
Deferred tax assets (Net)	-	47.33	47.33	-	31.61	31.60
Property, plant and equipment	-	4.78	4.78	-	5.31	5.31
Right of use assets	-	20.58	20.58	-	20.37	20.37
Capital work-in-progress	-	0.06	0.06	-	0.01	0.01
Other intangible assets	-	1.37	1.37	-	1.56	1.56
Other non-financial assets	6.34	-	6.34	4.86	-	4.86
<b>Total assets</b>	<b>1,437.02</b>	<b>879.24</b>	<b>2,316.26</b>	<b>1,127.11</b>	<b>1,000.04</b>	<b>2,126.99</b>
<b>Financial liabilities</b>						
Debt securities	466.90	455.33	922.23	274.78	670.66	945.44
Borrowings (other than debt securities)	289.62	308.89	598.51	182.94	185.94	368.88
Lease liability	7.70	15.65	23.35	6.45	16.25	22.70
Derivative financial instruments	-	3.89	3.89	-	1.79	1.79
Other financial liabilities	32.78	-	32.78	6.04	-	6.04
<b>Non-Financial Liabilities</b>						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	10.98	12.16	23.14	15.49	7.45	22.94
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	6.35	-	6.35	12.50	-	12.50
<b>Equity</b>						
Share capital	-	30.45	30.45	-	30.45	30.45
Other equity	-	675.56	675.56	-	716.25	716.25
<b>Total liabilities and equity</b>	<b>814.33</b>	<b>1,501.93</b>	<b>2,316.26</b>	<b>498.20</b>	<b>1,628.79</b>	<b>2,126.99</b>



**47 Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

**Capital management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

**Regulatory capital**

Particulars	Carrying amount	
	As at March 31, 2022	As at March 31, 2021
Tier I capital	642.62	667.32
Tier II capital	-	-
Total capital	642.62	667.32
Risk weighted assets	1,783.42	1,620.58
CRAR (%) *	36.03%	41.18%
Tier I capital (%)	36.03%	41.18%
Tier II capital (%)	-	-

\* The above ratio has been computed in accordance with the guidelines issued by RBI on March 13, 2020

Tier 1 capital consists of shareholders' equity and retained earnings. Tier II capital consists of general provision and loss reserve against standard assets. Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

**48 Financial risk management framework**

The Company's principal financial liabilities comprise borrowings from banks and debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, price risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.



#### 48.1 Credit risk management framework

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans and advances primarily based on days past due monitoring at year end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products / states / customer base with a cap on maximum limit of exposure for an individual / Group.

The below amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

##### 48.1.1 Credit quality of financial loan

Particulars	Mortgage loans		Quasi Mortgage loans		Hypothecation loans	
	As at	As at	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Gross carrying value of loans</b>						
Stage 1	7.35	10.00	107.57	170.07	1,478.64	1,169.15
Stage 2	1.19	2.55	16.58	37.82	62.35	127.87
Stage 3	0.40	0.55	10.84	12.73	43.54	38.70
<b>Gross carrying value as at reporting date</b>	<b>8.94</b>	<b>13.10</b>	<b>134.99</b>	<b>220.62</b>	<b>1,584.53</b>	<b>1,335.72</b>

The Company reviews the credit quality of its loans based on the ageing of the loan at the year end and hence the Company has calculated its ECL allowances on a collective basis.

##### 48.1.2 Inputs considered in calculation of ECL

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0 to 30 days past due	Stage 2 : 31 to 90 days past due	Stage 3 : More than 90 days past due
---------------------------------	----------------------------------	--------------------------------------

##### 48.1.3 Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

##### 48.1.4 Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

##### 48.1.5 Estimations and assumptions used in the ECL model

(a) **Loss given default (LGD)** is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are considered at portfolio basis for arriving loss rate.

(b) **Probability of Default (PD)** is applied on Stage 1, Stage 2 and Stage 3 portfolio . This is calculated as an average of periodic movement of default rates.

##### 48.1.6 Measurement of ECL

**ECL is measured as follows**

(a) Financial assets that are not credit impaired at the reporting date: for Stage 1 & 2, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL.

(b) Financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD.



Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

48.1 Credit risk management framework

(Continued)

48.1.7 Significant increase in credit risk

The Company considers its exposure in credit risk to have increased significantly, when the borrower crosses 30 DPD.

48.1.8 Impairment loss

(a) The expected credit loss allowance for Mortgage loan is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
Gross carrying value as at March 31, 2022	7.35	1.19	0.40	8.94
ECL rate	1.36%	11.76%	57.50%	
ECL amount	0.10	0.14	0.23	0.47
Carrying amount (net of provision)	7.25	1.05	0.17	8.47
Gross carrying value as at March 31, 2021	10.00	2.55	0.55	13.10
ECL rate	0.46%	27.23%	59.20%	
ECL amount	0.05	0.69	0.33	1.07
Carrying amount (net of provision)	9.95	1.86	0.22	12.03

(b) The expected credit loss allowance for Quasi Mortgage loan is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
Gross carrying value as at March 31, 2022	107.57	16.58	10.84	134.99
ECL rate	1.62%	14.41%	58.12%	
ECL amount	1.74	2.39	6.30	10.43
Carrying amount (net of provision)	105.83	14.19	4.54	124.56
Gross carrying value as at March 31, 2021	170.07	37.82	12.73	220.62
ECL rate	0.84%	29.24%	65.21%	
ECL amount	1.42	11.06	8.30	20.78
Carrying amount (net of provision)	168.65	26.76	4.43	199.84

(c) The expected credit loss allowance for Hypothecation loan is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
Gross carrying value as at March 31, 2022	1,478.64	62.35	43.54	1,584.53
ECL rate	0.53%	13.47%	62.77%	
ECL amount	7.87	8.40	27.33	43.60
Carrying amount (net of provision)	1,470.77	53.95	16.21	1,540.93
Gross carrying value as at March 31, 2021	1,169.15	127.87	38.70	1,335.72
ECL rate	0.51%	24.03%	79.97%	
ECL amount	6.00	30.73	30.95	67.68
Carrying amount (net of provision)	1,163.15	97.14	7.75	1,268.04



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**Aye Finance Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**48.1 Credit risk management framework**

(Continued)

**48.1.9 Level of assessment - aggregation criteria**

The company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information. Considering the economic and risk characteristics the company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets

**48.1.10 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Mortgage Loans is as follows:**

**(a) Gross exposure reconciliation:**

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
<b>Gross carrying amount as at March 31, 2020</b>	<b>16.08</b>	<b>0.13</b>	<b>0.68</b>	<b>16.89</b>
Transfer to stage 1	0.07	-	(0.07)	-
Transfer to stage 2	(2.48)	2.52	(0.04)	-
Transfer to stage 3	(0.49)	(0.05)	0.54	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	(3.12)	(0.05)	0.01	(3.16)
Write offs during the year	(0.06)	-	(0.57)	(0.63)
<b>Gross carrying amount as at March 31, 2021</b>	<b>10.00</b>	<b>2.55</b>	<b>0.55</b>	<b>13.10</b>
Changes due to loans recognised in the opening balances that have :				
Transfer to stage 1	0.28	(0.28)	-	-
Transfer to stage 2	(0.96)	0.96	-	-
Transfer to stage 3	(0.32)	(0.08)	0.40	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	(1.65)	(0.67)	(0.25)	(2.57)
Write offs during the year	-	(1.29)	(0.30)	(1.59)
<b>Gross carrying amount as at March 31, 2022</b>	<b>7.35</b>	<b>1.19</b>	<b>0.40</b>	<b>8.94</b>

**(b) Reconciliation of ECL balances**

Particulars	Stage 1	Stage 2	Stage 3	Total
	Performing-loans 12 month ECL	Under per - forming loans Lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	
<b>ECL allowances balances as at March 31, 2020</b>	<b>0.23</b>	<b>0.11</b>	<b>0.56</b>	<b>0.90</b>
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(0.66)	0.68	(0.02)	-
Transfer to Stage 3	(0.29)	(0.03)	0.32	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	0.77	(0.07)	(0.05)	0.65
Write offs during the year	-	-	(0.48)	(0.48)
<b>ECL allowances balances as at March 31, 2021</b>	<b>0.05</b>	<b>0.69</b>	<b>0.33</b>	<b>1.07</b>
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(0.07)	0.07	-	-
Transfer to Stage 3	(0.18)	(0.04)	0.22	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	0.30	(0.08)	-	0.22
Write offs during the year	-	(0.50)	(0.32)	(0.82)
<b>ECL allowances balances as at March 31, 2022</b>	<b>0.10</b>	<b>0.14</b>	<b>0.23</b>	<b>0.47</b>





Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

48.1 Credit risk management framework

(Continued)

48.1.11 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Quasi Mortgage Loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at March 31, 2020</b>	277.11	3.94	10.82	291.87
Transfer to Stage 1	0.30	(0.24)	(0.06)	-
Transfer to Stage 2	(36.63)	36.95	(0.32)	-
Transfer to Stage 3	(6.88)	(2.74)	9.62	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	(63.23)	(0.09)	(0.13)	(63.45)
Write offs during the year	(0.60)	-	(7.20)	(7.80)
<b>Gross carrying amount as at March 31, 2021</b>	<b>170.07</b>	<b>37.82</b>	<b>12.73</b>	<b>220.62</b>

Changes due to loans recognised in the opening balances that have :

Transfer to Stage 1	3.78	(3.75)	(0.03)	-
Transfer to Stage 2	(10.52)	10.53	(0.01)	-
Transfer to Stage 3	(4.38)	(6.36)	10.74	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	(51.08)	(8.85)	(1.84)	(61.77)
Write offs during the year	(0.30)	(12.81)	(10.75)	(23.86)
<b>Gross carrying amount as at March 31, 2022</b>	<b>107.57</b>	<b>16.58</b>	<b>10.84</b>	<b>134.99</b>

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowances balances as at March 31, 2020</b>	5.53	3.66	10.11	19.30
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(10.74)	10.79	(0.05)	-
Transfer to Stage 3	(4.49)	(1.78)	6.27	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	11.13	(1.61)	(1.27)	8.25
Write offs during the year	(0.01)	-	(6.76)	(6.77)
<b>ECL allowances balances as at March 31, 2021</b>	<b>1.42</b>	<b>11.06</b>	<b>8.30</b>	<b>20.78</b>

Changes due to loans recognised in the opening balances that have :

Transfer to Stage 1	0.06	(0.06)	-	-
Transfer to Stage 2	(0.82)	0.82	-	-
Transfer to Stage 3	(2.36)	(3.91)	6.27	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	3.51	1.25	(0.49)	4.27
Write offs during the year	(0.07)	(6.77)	(7.78)	(14.62)
<b>ECL allowances balances as at March 31, 2022</b>	<b>1.74</b>	<b>2.39</b>	<b>6.30</b>	<b>10.43</b>



Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

48.1 Credit risk management framework

(Continued)

48.1.12 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Hypothecation Loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at March 31, 2020</b>	1,436.50	8.02	28.17	1,472.69
Transfer to Stage 1	0.25	(0.12)	(0.13)	-
Transfer to Stage 2	(126.05)	126.40	(0.35)	-
Transfer to Stage 3	(27.46)	(6.89)	34.35	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	(107.89)	0.50	(0.79)	(108.18)
Write offs during the year	(6.19)	(0.04)	(22.55)	(28.78)
<b>Gross carrying amount as at March 31, 2021</b>	<b>1,169.16</b>	<b>127.87</b>	<b>38.70</b>	<b>1,335.73</b>

Changes due to loans recognised in the opening balances that have :

Transfer to Stage 1	9.11	(9.10)	(0.01)	-
Transfer to Stage 2	(42.68)	42.68	-	-
Transfer to Stage 3	(19.63)	(23.25)	42.88	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	364.94	(25.29)	(1.03)	338.62
Write offs during the year	(2.26)	(50.56)	(37.00)	(89.82)
<b>Gross carrying amount as at March 31, 2022</b>	<b>1,478.64</b>	<b>62.35</b>	<b>43.54</b>	<b>1,584.53</b>

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowances balances as at March 31, 2020</b>	17.08	7.45	26.58	51.11
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(30.28)	30.36	(0.08)	-
Transfer to Stage 3	(21.97)	(5.51)	27.48	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	41.24	(1.53)	(1.24)	38.47
Write offs during the year	(0.07)	(0.04)	(21.79)	(21.90)
<b>ECL allowances balances as at March 31, 2021</b>	<b>6.00</b>	<b>30.73</b>	<b>30.95</b>	<b>67.68</b>

Changes due to loans recognised in the opening balances that have :

Transfer to Stage 1	0.05	(0.05)	-	-
Transfer to Stage 2	(4.17)	4.17	-	-
Transfer to Stage 3	(11.61)	(15.33)	26.94	-
<b>Loans derecognised during the year</b>				
Loans originated / derecognised during the year	17.90	9.21	(0.18)	26.93
Write offs during the year	(0.30)	(20.33)	(30.38)	(51.01)
<b>ECL allowances balances as at March 31, 2022</b>	<b>7.87</b>	<b>8.40</b>	<b>27.33</b>	<b>43.60</b>

Cash and cash equivalent and bank deposits

The Company maintains its bank balances in reputed banks and financial institutions. The credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.



#### 48.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy which is monitored by the Asset Liability Committee. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

#### Maturities of financial liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Lease liabilities	7.70	15.65	23.35	6.45	16.25	22.70
Debt securities	466.90	455.33	922.23	274.78	670.66	945.44
Borrowings (other than debt securities)	289.62	308.89	598.51	182.94	185.94	368.88
Trade payables	-	-	-	-	-	-
Other financial liabilities	32.78	-	32.78	6.04	-	6.04
Derivate Financial Instrument	3.89	-	3.89	1.79	-	1.79
<b>Total financial liabilities</b>	<b>800.89</b>	<b>779.87</b>	<b>1,576.87</b>	<b>472.00</b>	<b>872.85</b>	<b>1,344.85</b>

#### 48.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include foreign currency receivables.

#### 48.3.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	Currency	As at	As at
		March 31, 2022	March 31, 2021
Financial liabilities in Rs. crores	USD	77.01	37.16
Financial liabilities in Rs. crores	EURO	129.33	130.36



**48.3.2 Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the company does not have any borrowings/loans on fluctuating interest rates except following:-

**(a) Liabilities**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Debt securities</b>		
Variable rate	106.00	-
Fixed rate	923.00	1,028.42
<b>Borrowings (other than debt)</b>		
Variable rate	157.00	52.59
Fixed rate	333.00	244.69
<b>Sensitivity analysis</b>		
Increase by 80 basis points	1.98	0.42
Decrease by 80 basis points	(1.98)	0.42

**(b) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Loans extended by the Company are all fixed rate loans

**(c) Price risk exposure**

The Company's investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Investments</b>	154.86	197.14
<b>Sensitivity analysis</b>		
increase by 4%	5.03	7.89
decrease by 4%	(5.03)	(7.89)

**49 Leases****49.1 Carrying value of right of use assets:**

Particulars	Total	Leases	Security Deposits
<b>Balance at March 31, 2020</b>	<b>11.53</b>	<b>11.14</b>	<b>0.39</b>
Additions	14.48	14.05	0.43
Deletion	(0.02)	(0.02)	-
Depreciation charge for the year	(5.62)	(5.39)	(0.23)
<b>Balance at March 31, 2021</b>	<b>20.37</b>	<b>19.78</b>	<b>0.59</b>
Additions	5.91	5.05	0.86
Deletions	(0.25)	-	(0.25)
Depreciation charge for the year	(5.45)	(4.90)	(0.55)
<b>Balance at March 31, 2022</b>	<b>20.58</b>	<b>19.93</b>	<b>0.65</b>



Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

49 Leases  
(Continued)

49.2 Carrying value of lease liabilities:

Particulars	Total	Leases	Security deposits
<b>Balance at March 31, 2020</b>	<b>12.11</b>	<b>12.11</b>	-
Additions	14.06	14.06	-
Finance cost	1.81	1.81	-
Lease payments	(5.28)	(5.28)	-
<b>Balance at March 31, 2021</b>	<b>22.70</b>	<b>22.70</b>	-
Additions	5.26	5.26	-
Finance cost	2.77	2.77	-
Lease payments	(7.38)	(7.38)	-
<b>Balance at March 31, 2022</b>	<b>23.35</b>	<b>23.35</b>	-

49.3 Maturity analysis of lease liabilities

Contractual undiscounted cash flows	As at March 31, 2022	As at March 31, 2021
Less than one year	8.22	7.79
One to five years	20.44	19.18
More than five years	0.34	3.13
<b>Undiscounted lease liabilities at March 31, 2022</b>	<b>29.00</b>	<b>30.10</b>

49.4 Amounts recognised in profit or loss

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	2.77	1.81
Depreciation on ROU assets	4.90	5.38
<b>Total</b>	<b>7.67</b>	<b>7.19</b>

49.5 Cash outflow of leases

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash outflow of leases</b>		
Lease payments	7.62	5.28
	<b>7.62</b>	<b>5.28</b>

49.6 Break up value of the current and non-current lease liabilities for the year ended March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	7.70	6.45
Non-current lease liabilities	15.65	16.25
<b>Total</b>	<b>23.35</b>	<b>22.70</b>



**50 Financial instruments and fair value disclosures****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 principal (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, 2022			Total
	Level 1	Level 2	Level 3	
<b>At fair value through profit and Loss</b>				
Derivative liability - forward currency swaps	-	3.89	-	3.89
<b>Investments</b>				
Mutual funds	119.29	-	-	119.29
Mutual Funds held as security in respect of borrowings	6.46	-	-	6.46
Security receipts	-	32.05	-	32.05
	<b>125.75</b>	<b>35.94</b>	<b>-</b>	<b>161.69</b>

Particulars	As at March 31, 2021			Total
	Level 1	Level 2	Level 3	
<b>At fair value through profit and Loss</b>				
Derivative liability - forward currency swaps	-	1.79	-	1.79
<b>Investments</b>				
Mutual funds	190.85	-	-	190.85
Mutual Funds held as security in respect of borrowings	6.29	-	-	6.29
	<b>197.14</b>	<b>1.79</b>	<b>-</b>	<b>198.93</b>

**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 their carrying values are deemed to be fair values.

**Valuation methodologies of financial instruments not measured at fair value****Loans**

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

**Borrowings**

Debt securities and borrowings are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level. The Company's borrowings which are at floating rate approximates the fair value.

**Short term and other financial assets and liabilities**

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



**Aye Finance Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**51 Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms**

**51.1 For the year March 31, 2022**

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)
<b>Performing assets</b>						
Standard	Stage 1	1,593.56	9.71	1,583.85	11.10	(1.39)
Standard	Stage 2	80.12	10.93	69.19	2.02	8.91
<b>Total</b>		<b>1,673.68</b>	<b>20.64</b>	<b>1,653.04</b>	<b>13.12</b>	<b>7.52</b>
<b>Non-performing assets (NPA)</b>						
Sub - standard	Stage 3	54.73	33.83	20.90	9.01	24.82
<b>Subtotal</b>		<b>54.73</b>	<b>33.83</b>	<b>20.90</b>	<b>9.01</b>	<b>24.82</b>
Doubtful - up to 1 year	Stage 3	0.05	0.03	0.02	0.05	(0.02)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>0.05</b>	<b>0.03</b>	<b>0.02</b>	<b>0.05</b>	<b>(0.02)</b>
Loss assets		-	-	-	-	-
<b>Total</b>	Stage 3	<b>54.78</b>	<b>33.86</b>	<b>20.92</b>	<b>9.06</b>	<b>24.80</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>All assets</b>	Stage 1	1,593.56	9.71	1,583.85	11.10	(1.39)
	Stage 2	80.12	10.93	69.19	2.02	8.91
	Stage 3	54.78	33.86	20.92	9.06	24.80
<b>Grand total</b>		<b>1,728.46</b>	<b>54.50</b>	<b>1,673.96</b>	<b>22.18</b>	<b>32.32</b>

(a) The above table discloses the provisions amounts as per IRACP norms, while the Company has made a provision of non-performing assets as per the Company's policy which is in excess of the IRACP norms.

(b) The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.



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Aye Finance Private Limited

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

51 Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

51.2 For the year March 31, 2021

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)
<b>Performing assets</b>						
Standard	Stage 1	1,349.23	7.47	1,341.76	6.70	0.77
Standard	Stage 2	168.24	42.48	125.76	12.40	30.08
<b>Total</b>		<b>1,517.47</b>	<b>49.95</b>	<b>1,467.52</b>	<b>19.10</b>	<b>30.85</b>
<b>Non-performing assets (NPA)</b>						
Sub - standard	Stage 3	46.39	35.47	10.92	38.34	(2.87)
<b>Subtotal</b>		<b>46.39</b>	<b>35.47</b>	<b>10.92</b>	<b>38.34</b>	<b>(2.87)</b>
Doubtful - up to 1 year	Stage 3	5.59	4.11	1.48	5.59	(1.48)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>5.59</b>	<b>4.11</b>	<b>1.48</b>	<b>5.59</b>	<b>(1.48)</b>
Loss assets		-	-	-	-	-
<b>Total</b>	Stage 3	<b>51.98</b>	<b>39.58</b>	<b>12.40</b>	<b>43.93</b>	<b>(4.35)</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>All assets</b>	<b>Stage 1</b>	<b>1,349.23</b>	<b>7.47</b>	<b>1,341.76</b>	<b>6.70</b>	<b>0.77</b>
	<b>Stage 2</b>	<b>168.24</b>	<b>42.48</b>	<b>125.76</b>	<b>12.40</b>	<b>30.08</b>
	<b>Stage 3</b>	<b>51.98</b>	<b>39.58</b>	<b>12.40</b>	<b>43.93</b>	<b>(4.35)</b>
<b>Grand total</b>	<b>Total</b>	<b>1,569.45</b>	<b>89.53</b>	<b>1,479.92</b>	<b>63.03</b>	<b>26.50</b>

(a) The above table discloses the provisions amounts as per IRACP norms, while the Company has made a provision of non-performing assets as per the Company's policy which is in excess of the IRACP norms.

(b) The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.





52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016.

52.1 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

As at March 31, 2022

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over	Over	Over	Over	Over	Over	Over 5 years	Total
				1 month up to 2 months	2 months up to 3 months	3 months up to 6 months	6 months up to 1 year	1 year up to 3 years	3 year up to 5 years		
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances*	109.21	-	-	77.05	77.07	234.83	462.32	715.23	65.14	1.35	1,742.21
Investments^	170.12	24.94	5.00	56.73	14.15	131.10	45.95	12.14	-	-	460.13
Borrowing**	0.59	2.83	26.14	136.93	61.54	101.66	384.36	572.39	27.93	-	1,314.36
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	1.67	-	2.32	38.48	-	163.93	-	-	206.38

As at March 31, 2021

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over	Over	Over	Over	Over	Over	Over 5 years	Total
				1 month up to 2 months	2 months up to 3 months	3 months up to 6 months	6 months up to 1 year	1 year up to 3 years	3 year up to 5 years		
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances*	70.74	-	-	75.96	74.21	218.64	410.28	663.10	69.41	7.95	1,590.29
Investments^	212.56	-	65.00	73.91	23.01	84.72	21.74	2.10	-	2.94	485.98
Borrowing**	22.92	3.90	4.54	17.46	24.61	118.28	233.05	650.39	73.25	0.02	1,148.42
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	165.90	-	-	165.90

Notes

\* EIR on advances has been considered in the 1-3 years bucket.

\* The advances are gross of impairment loss allowance.

\*\* EIR on borrowing has been considered in the last bucket of the respective borrowing.

^ Investments include the amount of deposits with banks

(a) Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.

(b) Above ALM does not consider cash balance existing as on balance sheet date.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.2 Summary of significant accounting policies

Refer to note 2 of Financial Statements for summary of significant accounting policies.

52.3 Capital

Particulars	March 31, 2022	March 31, 2021
(i) CRAR (%)	36.03%	41.18%
(ii) CRAR - Tier I Capital (%)	36.03%	41.18%
(ii) CRAR - Tier II Capital (%)	-	-
(iii) Amount of subordinated debt raised as Tier-II capital	-	-
(iv) Amount raised by issue of perpetual debt instruments	-	-

52.4 Investments

Particulars	March 31, 2022	March 31, 2021
<b>Value of investments</b>		
Gross value of investments		
In India	155.11	198.17
Outside India	-	-
Provisions for depreciation		
In India	-	-
Outside India	-	-
Net value of investments		
In India	155.11	198.17
Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less Write-off / write-back of excess provisions during the year	-	-
Closing balance	-	-

52.5 Derivatives

52.5.1 Forward rate agreement / interest rate swap

Particulars	March 31, 2022	March 31, 2021
The notional principal of swap agreements	202.80	162.72
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	-	-
The fair value of the swap book	(3.93)	(1.79)

\* Counter- party for all swaps entered into by the Company are Scheduled Commercial Banks.



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.5.2 Exchange traded interest rate (IR) derivatives

Particulars	Amount
Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022 (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil

52.5.3 Disclosures on risk exposure in derivatives

Qualitative disclosures

The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative disclosures

Particulars	As at March 31, 2022		As at March 31, 2021	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
Derivative (notional principal amount) – for hedging	202.80	-	162.72	-
Marked to market positions	(3.93)	-	(1.79)	-
Credit exposure	202.80	-	162.72	-
Unhedged exposures	-	-	-	-

\* Cross currency interest rate swap



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.6 Disclosures relating to Securitisation

Refer Note No. 42 of the financial statements.

52.7 Exposures

52.7.1 Exposure to real estate sector

Category	March 31, 2022	March 31, 2021
<b>Residential mortgages</b>	<b>141.36</b>	<b>231.08</b>
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	141.36	231.08
<b>Commercial real estate</b>	<b>2.58</b>	<b>2.65</b>
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	2.58	2.65
<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>	<b>NIL</b>	<b>NIL</b>
Residential	NIL	NIL
Commercial real estates	NIL	NIL
<b>Total exposure to real estate sector</b>	<b>143.94</b>	<b>233.73</b>

52.7.2 Exposure to capital market

Particulars	March 31, 2022	March 31, 2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	NIL	NIL
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible	NIL	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (VCFs) (both registered and unregistered)	NIL	NIL
<b>Exposure to capital market</b>	<b>NIL</b>	<b>NIL</b>

52.8 Details of financing of parent company products

The Company doesn't have parent Company, hence this clause is not applicable.

52.9 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the March 31, 2022 and March 31, 2021



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

**52.10 Unsecured advances**

The Company has given Rs. 1598.27 crores (previous year: Rs. 1356.58 crores) of unsecured loans.

**52.11 Miscellaneous**

**52.11.1 Registration obtained from other financial sector regulators**

The Company does not hold any other registration other than NBFC registration from RBI.

Registration/ License	Issuing Authority	Registration / License number
Certificate of Registration	Reserve Bank Of India (RBI)	B-14.03323

**52.11.2 Disclosure of penalties imposed by RBI and other regulators –**

No penalties were imposed by the regulator during the year ended March 31, 2022 and March 31, 2021

**52.11.3 Related party transactions**

Refer note 35 of Financial Statements for related party transaction disclosure.

**52.11.4 Ratings assigned by credit rating agencies and migration of ratings during the year**

Rating purpose	FY 2021-22		FY 2020-21	
	Rating Assigned	Rating Outlook	Rating Assigned	Rating Outlook
<b>Aye Finance Private Limited by India Ratings &amp; Research</b>				
NCD Rs. 980 crores (previous year Rs. 1040 crores)	[IND] A-	Stable	[IND] A-	Stable
Bank loans Rs. 210 crores (previous year Rs. 210.00 crores)	[IND] A-	Stable	[IND] A-	Stable
Commercial paper Rs. 50 crores	[IND] A2+	Assigned	N.A.	N.A.
Principal protected market-linked debenture (PP-MLD) Rs. 50 crores	IND PP-MLD A - emr	Assigned	N.A.	N.A.
<b>Aye Finance Private Limited by ICRA</b>				
NCD Rs. 446.00 crores (previous year Rs. 446.00 crores)	[ICRA] BBB+	Stable	[ICRA] BBB+	Stable
Fund based term loan of Rs. 55.60 crores* (previous year Rs. 55.60 crores)	[ICRA] BBB+	Stable	[ICRA] BBB+	Stable
Market Linked Non-convertible Debentures (MLD) Rs. 50 crores (previous year Rs. 50 crores)	PP-MLD [ICRA]AA(CE)	Stable	N.A.	N.A.

\* Rating withdrawn

**52.12 Additional disclosures**

**52.12.1 Provisions and contingencies**

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	March 31, 2022	March 31, 2021
Provisions for impairment on investment	2.94	-
Provision for Stage 3	35.52	39.58
Provision made towards income tax net of deferred tax	(21.69)	-
Other provision and contingencies	6.34	-
Provision for Stage 1 and Stage 2	(29.31)	49.95

**52.12.2 Draw down from reserves**

The Company has not made any drawdown from the reserve during the year.



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

**52.13 Concentration of deposits, advances, exposures and NPAs**

The Company has not taken any deposits from any party. The below amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

**52.13.1 Concentration of advances**

Particulars	March 31, 2022	March 31, 2021
Total advances to twenty largest borrowers	1.67	3.73
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.10%	0.24%

**52.13.2 Concentration of exposures**

Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers / customers	33.84	4.42
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers *	1.91%	0.21%

\* the above does not include the investment in debts mutual funds and total assets has been considered for the purpose of calculation.

**52.13.3 Concentration of NPAs**

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top four credit impaired accounts	0.33	0.38

**52.13.4 Sector-wise NPAs**

Sector	Percentage of NPAs to total advances in that sector	
(1) Agriculture and allied activities	-	-
(2) MSME	3.29%	3.27%
(3) Corporate borrowers	-	-
(4) Services	-	-
(5) Unsecured personal loans	-	-
(6) Auto loans	-	-
(7) Other personal loans	-	-

**52.13.5 Movement of NPAs**

Particulars	March 31, 2022	March 31, 2021
(1) Net NPAs to Net Advances (%)	1.37%	0.80%
(2) Movement of NPAs (Gross)*		
(i) Opening balance	51.98	39.67
(ii) Additions during the year	57.13	44.51
(iii) Reductions during the year	(51.83)	(32.20)
(iv) Closing balance	57.28	51.98
(3) Movement of Net NPAs*		
(i) Opening balance	12.40	2.41
(ii) Additions during the year	23.36	10.44
(iii) Reductions during the year	(12.33)	(0.45)
(iv) Closing balance	23.42	12.40
(4) Movement of provisions for NPAs (excluding provisions on standard assets) *		
(i) Opening balance	39.58	37.26
(ii) Additions during the year	33.78	34.07
(iii) Reductions during the year	(39.50)	(31.75)
(iv) Closing balance	33.86	39.58



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.14 Overseas assets

The Company does not own any assets outside the country.

52.15 Off – balance sheet SPVs sponsored

The Company does not have any off balance sheet SPV sponsored either domestic or overseas.

52.16 Disclosure of customer complaints

Particulars	March 31, 2022	March 31, 2021
(i) No. of complaints pending at the beginning of the year	1	-
(ii) No. of complaints received during the year	205	108
(iii) No. of complaints redressed during the year	206	107
(iv) No. of complaints pending at the end of the year	-	1

52.17 Expenditure on corporate social responsibility

Refer note 30 of Financial Statements for disclosure pertaining to corporate social responsibility expenses.

52.18 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to Rs. 0.15 crores (March 31, 2021 Rs. 0.07 crores).

52.19 COVID 19 Disclosures in terms of RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID 19 Regulatory Package

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 instalments 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 March 31, 2021/March 31, 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	March 31, 2021
Advance outstanding in SMA/Overdue" categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as on February 29, 2020)*	26.40
Respective amounts where assets classification benefit was extended*	11.93
Provision made in terms of paragraph 5 of the circular (As per paragraph 4 applicable to NBFC's covered under IND AS)*	8.10
Provision adjusted against slippages in terms pf paragraph 6 of the circular*	7.75
Residual provision as of in terms of paragraph 6 of the circular*	0.34

\* Advance outstanding of accounts under SMA / overdue category is as of March 31, 2021.



Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.20 Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

Particulars	March 31, 2022	March 31, 2021
No. of accounts restructured	5,466	10,508
Amount (Rs. in crores)*	59.87	142.19

\* Balances are as at March 31, 2022

52.21 Details of interest on interest during the moratorium period

In accordance with the RBI notification dated April 7 2021, the Company is required to refund/adjust 'interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company has recorded the liability towards estimated interest relief of current year: Nil (previous year: Rs. 0.04 crores) and reduced the same from the interest income.

52.22 Details of the Code on Social Security, 2020 ('CODE') relating to employee benefits

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

52.23 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.

52.24 Transactions with non-executive directors

Name of non-executive director	Transaction type	March 31, 2022	March 31, 2021
Mr. Navin Kumar Maini	Payment of sitting fees	0.09	0.13
Ms. Kanika Tandon Bhal	Payment of sitting fees	0.07	0.10
Mr. Vinay Baijal	Payment of sitting fees	0.06	0.10
Mr. Vikram Jetley	Remuneration	1.02	1.72
<b>Total</b>		<b>1.24</b>	<b>2.05</b>

52.25 Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition.





Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

Notes forming part of the financial statements for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

**52.26 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.

On the basis of information and record available with the management, there are no outstanding balances of such suppliers and interest due on such accounts as on March 31, 2022

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

**52.27 Details of non-performing financial assets purchased/sold**

The Company has neither purchased or sold any non performing financial asset during 2021-22 and 2020-21.

**52.28 Value of imports calculated on CIF basis**

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2021 – Nil).

**52.29 Disclosure pursuant to Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification")**

**52.29.1 Details of non-performing assets (NPAs) transferred are given below:**

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 year ended March 31, 2022: Nil

(b) Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 during the year ended March 31, 2022: Nil

(c) Details of stressed loans transferred during the year ended March 31, 2022

Particulars	To Asset Reconstruction Companies	
	NPA*	SMA
No. of accounts	23,835	-
Aggregate principal outstanding of loans transferred (Rs. in crores)	243.29	-
Weighted average residual tenor of the loans transferred (in months)	12 months	-
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	34.78	-
Aggregate consideration (Rs. in crores)	37.71	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

Including written off loans amounting to Rs. 171.95 crores

(d) The Company has not acquired any stressed loan during the financial year

**52.29.2 The Company has not acquired any special mention account or stressed loan or loan not in default.**



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

52.29.3 Disclosures as required for liquidity risk

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31, 2022	March 31, 2021
Number of significant counter parties	20.00	7.00
Amount	1,437.61	992.63
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	89.28%	71.43%

(ii) Top 20 large deposits

Particulars	March 31, 2022	March 31, 2021
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

(iii) Top 10 borrowings

Particulars	March 31, 2022	March 31, 2021
Total amount of top 10 borrowings	1,131.85	1,098.13
Percentage of amount of top 10 borrowings to total borrowings	74.43%	82.83%

(iv) Funding concentration based on significant instrument/product

Name of the instrument/product	March 31, 2022		March 31, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Non-convertible debentures (Secured)	791.51	49.15%	889.95	64.04%
Non-convertible debentures (Unsecured)	130.72	8.12%	55.49	3.99%
Term loans	268.28	16.66%	118.47	8.58%
Borrowing under securitization arrangement	108.89	6.76%	82.96	6.01%
External commercial borrowings	206.35	12.81%	167.45	12.13%
Working capital / Line of credit / Overdraft facility	14.99	0.93%	11.37	0.82%

(v) Stock ratios

Particulars	March 31, 2022	March 31, 2021
Commercial papers as a % of total public funds	-	N.A.
Commercial papers as a % of total liabilities	-	N.A.
Commercial papers as a % of total assets	-	N.A.
Non-convertible debentures as a % of total public funds	-	N.A.
Non-convertible debentures as a % of total liabilities	-	N.A.
Non-convertible debentures as a % of total assets	-	N.A.
Other short-term liabilities as a % of total public funds	53.55%	38.98%
Other short-term liabilities as a % of total liabilities	50.57%	37.19%
Other short-term liabilities as a % of total assets	35.16%	24.19%



52 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 17, 2020.

(Continued)

(v) Institutional set-up for liquidity risk management

Aye Finance Private Limited has constituted Asset Liability Supervisory Committee ('ALCO') to oversee liquidity risk management in compliance with Board approved policy. It comprises of senior management of the Company and headed by Managing Director or/and Executive Director. ALCO meetings are held once in a quarter or more frequently as required from time to time.

Aye Finance Private Limited has also constituted RMC for the effective supervision and management of various aspects including liquidity risks faced by the Company. This committee shall provide necessary directives to ALCO, as and when necessary. The ALCO and RMC updates the Board at regular intervals.

52.30 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by financial institution for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

Particulars	March 31, 2022	March 31, 2021
Carrying amount of transferred assets measured at amortised cost	102.34	134.32
Carrying amount of associated liabilities (Debt securities -measured at amortised cost)	107.49	82.98

52.31 Detail of resolution plan implemented under the resolution framework for Covid - 19 related stress as per RBI circular dated August 06, 2020 (resolution framework - 1.0) and May 05, 2021 (resolution framework - 2.0) as March 31, 2022 as given below: -

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at September 30, 2021 (A) *	Of (A), aggregate debt that slipped in to NPA during the half year ended March 31, 2022	Of (A) amount written off during the half year ended March 31, 2022	Of (A) amount paid by the borrowers during the half year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2022 *
Personal Loans #	42.86	5.91	1.32	1.13	34.50
Corporate Persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	42.86	5.91	1.32	1.13	34.50

\* Consist of unbilled and overdue principal

# Includes restructuring implemented pursuant to OTR 2.0 for personal loans, i



**53 Changes in liabilities arising from financing activities \***

Particulars	April 1, 2021	Cash flows	Exchange difference	Other	March 31, 2022
Debt securities	1,028.42	(23.21)	-	(82.98)	922.23
Borrowings (other than debt securities)	305.56	204.32	2.14	(21.16)	489.62
Borrowings under securitisation	(8.28)	25.93	-	91.24	108.89
	<b>1,325.70</b>	<b>207.04</b>	<b>2.14</b>	<b>(12.90)</b>	<b>1,520.74</b>

Particulars	April 1, 2020	Cash flows	Exchange difference	Other	March 31, 2021
Debt securities	1,179.43	(151.01)	-	-	1,028.42
Borrowings (other than debt securities)	52.28	248.20	5.08	-	305.56
Borrowings under securitisation	220.79	(229.07)	-	-	(8.28)
	<b>1,452.50</b>	<b>(131.88)</b>	<b>5.08</b>	<b>-</b>	<b>1,325.70</b>

\* Amounts are inclusive of accrued interest.

**54** 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 March 31, 2022, the Company believes that the impairment allowance of loans has been recorded considering the reasonable and supportable information available up to 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.

**55** 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.

**56** There are no significant subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

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



**58 Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no any prior period items and changes in accounting policies.

**59 Other statutory information**

- (i) The Company do not have any investment property.
- (ii) The Company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.
- (iii) Title deed of the Immovable Properties are held in name of the Company, further the Company has not revalued its Property, Plant and Equipment and intangible assets.
- (iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.
- (v) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a systematically important NBFC, the provisions of section 2(87) read with Companies (restriction on number of layers) Rules 2017 are not applicable.
- (vi) The quarterly statement of current assets submitted to banks / financial institutions which are provided as security against the borrowings are in agreement with the books of account.
- (vii) The Company has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (viii) The Company have not traded or invested in crypto currency or virtual Currency during the financial year.
- (ix) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding 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 beneficiariesThe Company have 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
- (x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xi) During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable to the Company.
- (xii) The Company have not advanced or loaned to promoter, director, KMP & related party.
- (xiii) The Company is not declared wilful defaulter by any bank or financial institution or other lenders.
- (xiv) 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 Statements for the year ended March 31, 2022, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".

In terms of our report attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of

Aye Finance Private Limited

Corporate Identification No.: U65921DL1993PTC283660



per Amit Kabra

Partner

Membership No.: 094533

Place: Gurugram

Date: May 26, 2022



Sanjay Sharma

Managing Director

DIN: 03337545

Place: Gurugram

Date: May 26, 2022

Navin Kumar Maini

Director

DIN: 00419921

Place: New Delhi

Date: May 26, 2022

Mayank Shyam Thatte

Chief Financial Officer

Place: Gurugram

Date: May 26, 2022

Tripti Pandey

Company Secretary

Membership No.: 32760

Place: Gurugram

Date: May 26, 2022