

Independent Auditor's Limited Review Report on unaudited Financial Results of Aye Finance Private Limited for the quarter and nine months ended December 31, 2023, pursuant to the Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Aye Finance Private Limited

1. We have reviewed the accompanying Statement of unaudited financial results of **Aye Finance Private Limited** ("the Company") for the quarter and nine months ended December 31, 2023 ('the "Statement"') attached herewith, being prepared and submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purpose.
2. This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" (Ind AS 34) , prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as amended, read with rules issued thereunder and other accounting principles generally accepted in India , read with the Listing Regulations. Our responsibility is to issue a Conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The unaudited financial results for the corresponding quarter and nine months ended December 31 ,2022 included in the statement are based on the previously issued financial results of the Company, prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under, which were reviewed by predecessor auditor, whose report dated February 13, 2023, expressed an unmodified Conclusion on those unaudited financial results.





S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

The audited financial results for the year ended March 31, 2023 included in the statement were audited by predecessor auditor whose report dated May 23, 2023 expressed an unmodified opinion.

Our conclusion on the Statement is not modified in respect of this matter

For **S S Kothari Mehta & Co**
Chartered Accountants
Firm Registration No. 000756N

Vijay Kumar
Partner
Membership No.092671
UDIN: 24092671BKFBNJ3009

Place: Gurugram
Date: February 12, 2024

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Registered Address: M-5, Magnum House-I, Community Centre, Karampura, New Delhi - 110015
Tel. No.: 01244844000 | Email: corporate@ayefin.com | website: www.ayefin.com |
Statement of unaudited financial results for the quarter and nine months ended December 31, 2023

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

Sr. No.	Particulars	Quarter ended		Nine months ended		Year ended	
		December 31, 2023 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	March 31, 2023 (Audited)
1	Revenue from operations						
	Interest income	243.82	226.78	141.61	671.20	394.07	556.53
	Fees and commission income	11.71	10.58	6.33	33.28	18.26	27.27
	Net gain on derecognition of financial instruments under amortised cost category	2.87	6.11	4.62	11.56	17.05	22.49
	Net gain on fair value changes	5.87	5.09	3.50	19.40	8.14	18.95
	Total revenue from operations	264.27	248.56	156.06	735.44	437.52	625.24
2	Other income	5.46	4.58	4.00	16.50	11.28	17.89
3	Total income (1 + 2)	269.73	253.14	160.06	751.94	448.80	643.13
4	Expenses						
	Finance cost	85.42	78.63	51.69	233.52	140.92	197.92
	Net loss on fair value changes	-	-	-	1.85	-	6.57
	Impairment on financial instruments	31.57	24.31	17.88	72.92	54.02	73.35
	Employee benefit expenses	66.40	65.72	55.17	197.61	154.87	212.20
	Depreciation and amortization expense	3.68	3.30	2.89	10.24	8.54	11.45
	Other expenses	22.12	18.93	18.64	61.37	48.82	70.24
	Total expenses	209.19	190.89	146.27	577.51	407.17	571.73
5	Profit before tax (3 - 4)	60.54	62.25	13.79	174.43	41.63	71.40
6	Tax expense:						
	Current tax	19.97	23.59	-	52.28	-	-
	Tax for earlier years	-	-	-	-	-	0.62
	Deferred tax	(4.44)	(1.97)	3.85	(3.32)	11.76	16.99
	Total tax expense	15.53	21.62	3.85	48.96	11.76	17.61
7	Profit for the period / year (A) (5 - 6)	45.01	40.63	9.94	125.47	29.87	53.79
8	Other comprehensive (loss) / income						
	Items that will not be reclassified subsequently to profit or loss:						
	Re-measurement (loss) / income on defined benefit plans	(0.03)	0.35	0.75	(0.59)	4.48	3.99
	Income tax relating to items that will not be reclassified to (loss) / profit	0.01	0.39	(0.19)	0.15	(1.13)	(1.00)
	Other comprehensive (loss) / income (B)	(0.02)	0.74	0.56	(0.44)	3.35	2.99
9	Total comprehensive income for the period / year (A+B) [Comprising profit (after tax) and other comprehensive income (after tax)]	44.99	41.37	10.50	125.03	33.22	56.78
10	Earnings per equity share *						
	Basic EPS (Rs.)	14.26	13.10	3.21	40.21	9.64	17.34
	Diluted EPS (Rs.)	14.09	12.95	3.15	39.74	9.50	17.13
	Nominal value	10.00	10.00	10.00	10.00	10.00	10.00

* Earnings per share for the interim periods are not annualised

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



Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: February 12, 2024

Notes:

- 1 The Company is an NBFC - Middle Layer as classified under Master Direction - Reserve Bank of India (Non - Banking Financial Company - Scale Based Regulations) Directions, 2023
- 2 The unaudited financial results for the quarter and nine months ended December 31, 2023, which have been subjected to limited review by Statutory Auditors of the company, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on February 12, 2024. The report is being filed with the BSE Limited and is also available on the Company's website www.ayefin.com
- 3 The above unaudited financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other Regulators are implemented as and when they are issued/applicable.
- 4 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 loans (not in default) transferred through assignment:

Particulars	For the quarter ended December 31, 2023	For the nine months ended December 31, 2023
Amount of loan accounts transferred (Rupees in crores)	39.23	151.23
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (residual maturity)	16.77 months	18.39 months
Weighted average holding period	9.90 months	7.21 months
Coverage of tangible security	0%	0%
Rating-wise distribution of rated loans	Unrated	Unrated

(b) The Company has not re-purchased any loans in accordance with paragraph 48 of Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 during the quarter and nine months ended December 31, 2023.

(c) The Company has not transferred any stressed loans during the quarter and nine months ended December 31, 2023.

(d) The Company has not acquired any stressed loan during the quarter and nine months ended December 31, 2023.

- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
- 6 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 7 The Company owns 100% 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.



(Continued)

Notes:

(Continued)

- 8 (i) During the quarter ended December 31, 2023, the authorised equity share capital of the Company was increased vide approval of equity shareholders dated November 17, 2023 from INR 34.60 crores comprising of 55,00,000 equity shares of INR 10 each and 291,00,000 preference shares of INR 10 each to INR 45.31 crores comprising of 67,30,000 equity shares of INR 10 each and 291,00,000 preference shares of INR 10 each and 47,40,000 preference shares of INR 20 each.
- (ii) The Board of Directors in its meeting held on December 08, 2023 approved the issuance of 20 Equity Shares of INR 10 each, 47,39,244 Series F compulsorily convertible preference shares ("Series F CCPS") of INR 20 each and 9,49,376 Warrants at an exercise price of INR 654.11/- per warrant, of which an initial warrant subscription amount of INR 1 per warrant on private placement and preferential basis subject to approval of Shareholders which was obtained in the EGM held on December 12, 2023.
- (iii) During the period between December 20, 2023 to January 05, 2024, the Company has received subscription amount aggregating to INR 310.09 crores for subscription of 20 Equity Shares of INR 10 each at issue price of INR 654.11 per share including premium of INR 644.11 per share and 47,39,244 Series F CCPS of INR 20 each at issue price of INR 654.11 per Series F CCPS including premium of INR 634.11 per Series F CCPS and 9,49,376 Warrants at an exercise price of INR 654.11/- per warrant, of which an initial warrant subscription amount of INR 1 per warrant was payable at the time of allotment.
- (iv) The Board of Directors in their meeting held on January 05, 2024 approved the allotment of above mentioned securities.
- 9 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.
- 10 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the nine months ended December 31, 2023 are attached as Annexure I to these financial results.
- 11 The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

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



Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: February 12, 2024

Annexure - I

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Registered Address: M-5, Magnum House-I, Community Centre, Karampura, New Delhi - 110015
Tel. No.: 01244844000 | Email: corporate@ayefin.com | website: www.ayefin.com |

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at December 31, 2023 with respect to listed secured debentures of the Company issued on a private placement basis.

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

S.No.	Particulars	For the nine months ended December 31, 2023
(a)	Debt equity ratio (times) (Refer Note 1)	2.77
(b)	Net worth (Refer Note 2)	1,142.67
(c)	Net profit after tax	125.47
(d)	Total debts to total assets (%) (Refer Note 3)	71.54%
(e)	Net profit margin (%) (Refer Note 4)	16.69%
(f)	Earnings per share (Rs)	
	Basic	40.21
	Diluted	39.74
(g)	Sector specific equivalent ratios as on December 31, 2023	
	(i) Gross stage III ratio	
	Gross Stage III ratio (%)	2.93%
	(Gross stage III loans / Total loans)	
	(ii) Net stage III ratio	
	Net NPA ratio (%)	1.32%
	(Gross stage III loans - ECL on Gross stage III / (Total loans - ECL on Gross stage III))	
	(iii) Provision coverage ratio	
	Provision coverage ratio (%)	55.63%
	(ECL on Gross stage III) / (Gross stage III)	
	(iv) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	38.65%

Notes:

- (1) Debt equity ratio = (Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Net-worth.
- (2) Net-worth = Total equity - Deferred tax - Intangible assets - Prepaid expenses.
- (3) Total debt to total assets = ((Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Total assets.
- (4) Net profit margin = Net profit for the period / Total income for the period.
- (5) Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), current ratio, capital redemption reserve / debenture redemption reserve, long term debt to working capital ratio, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.

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



Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: February 12, 2024