

SS KOTHARI MEHTA & CO. LLP

CHARTERED ACCOUNTANTS

Independent Auditor's Limited Review Report on unaudited Financial Results of Aye Finance Limited (Formerly known as Aye Finance Private Limited) for the quarter and nine months ended December 31, 2024, 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 Limited
(Formerly known as Aye Finance Private Limited)**

1. We have reviewed the accompanying Statement of unaudited financial results of **Aye Finance Limited (Formerly known as Aye Finance Private Limited)** ("the Company") for the quarter and nine months ended December 31, 2024 ("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 of unaudited financial results, 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 Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration No. 000756N/N500441



Vijay Kumar

Partner

Membership No.092671

UDIN: 25092671BMOEZU5234

Place: New Delhi

Date: February 07, 2025



Statement of unaudited financial results for the quarter and nine months ended December 31, 2024

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

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2024 Unaudited	September 30, 2024 Unaudited	December 31, 2023 Unaudited	December 31, 2024 Unaudited	December 31, 2023 Unaudited	March 31, 2024 Audited
1 Revenue from operations						
Interest income	337.06	328.54	243.82	977.30	671.20	948.69
Fees and commission income	13.18	12.17	11.71	38.18	33.28	47.86
Net gain / (loss) on derecognition of financial instruments under amortised cost category	-	-	2.87	1.70	11.56	18.95
Net gain on fair value changes	10.75	16.09	5.87	34.72	19.40	24.72
Total revenue from operations	360.99	356.80	264.27	1,051.90	735.44	1,040.22
2 Other income	9.48	9.61	5.46	34.29	16.50	31.53
3 Total income [1 + 2]	370.47	366.41	269.73	1,086.19	751.94	1,071.75
4 Expenses						
Finance cost	115.26	121.15	85.42	344.52	233.52	326.53
Net loss on fair value changes	-	4.93	-	4.93	1.85	6.18
Impairment on financial instruments	92.08	52.80	31.57	193.47	72.92	131.40
Employee benefit expenses	97.94	91.45	66.40	271.85	197.61	275.21
Depreciation and amortization expense	6.08	5.26	3.68	15.84	10.24	14.54
Other expenses	28.66	28.18	22.12	81.02	61.37	90.03
Total expenses	340.02	303.77	209.19	911.63	577.51	843.89
5 Profit before tax [3 - 4]	30.45	62.64	60.54	174.56	174.43	227.86
6 Tax expense:						
Current tax	16.48	19.17	19.97	61.05	52.28	81.18
Deferred tax	(8.80)	(3.39)	(4.44)	(17.06)	(3.32)	(14.45)
Income tax expense	7.68	15.78	15.53	43.99	48.96	66.73
7 Profit for the period / year (A) (5 - 6)	22.77	46.86	45.01	130.57	125.47	161.13
8 Other comprehensive income / (loss)						
Items that won't be reclassified subsequently to profit or loss						
Re-measurement income / (loss) on defined benefit plans	0.17	0.03	(0.03)	(0.99)	(0.59)	(0.56)
Income tax effect	(0.04)	(0.01)	0.01	0.25	0.15	0.15
Other comprehensive income / (loss) for the period / year (B)	0.13	0.02	(0.02)	(0.74)	(0.44)	(0.41)
9 Total comprehensive income for the period / year (A+B)	22.90	46.88	44.99	129.83	125.03	160.72
10 Earnings per share *						
Basic (Rs.)	1.19	2.64	2.85	7.18	8.04	9.97
Diluted (Rs.)	1.17	2.58	2.82	7.04	7.95	9.86
Nominal value ^^	2.00	2.00	2.00	2.00	2.00	2.00

* Earnings per share for the interim periods are not annualised

^^ Face value reduced from Rs. 10 to Rs. 2 as a result of subdivision of shares. Please refer note 8.

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Gurugram
February 07, 2025



Sanjay Sharma
Managing Director
DIN: 03337545

Notes:

- 1 The Company is a Middle Layer - NBFC 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, 2024, 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 07, 2025. 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 and Disclosure Requirements) Regulations, 2015 as amended and the Indian Accounting Standards (IndAS) 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 nine months ended December 31, 2024
Amount of loan accounts transferred (Rupees in crores)	41.22
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (residual maturity)	19.13 months
Weighted average holding period	9.21 months
Coverage of tangible security	0%
Rating-wise distribution of rated loans	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, 2024.

(c) The Company has not transferred any stressed loans during the quarter and nine months ended December 31, 2024.

(d) The Company has not acquired any stressed loan during the quarter and nine months ended December 31, 2024.

- 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 IndAS 108 on 'Operating Segments' in respect of the Company.
- 7 The Company owns 100% shareholding of Foundation for Advancement of Micro Enterprises ('FAME'), incorporated under the provisions of Section 8 of the Act to carry on corporate social responsibility activities. The financial results 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.
- 8 On and from the Record Date of October 15, 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of Rs. 10 each, fully paid, stands sub-divided in to 5 (five) equity shares having face value of Rs. 2 (two) each, fully paid-up, ranking pari-passu in all respects. The earnings per share for the period and have been restated considering the face value of Rs. 2 each in accordance with IndAS 33 - 'Earnings Per Share'.
- 9 The Board of Directors of the Company and its shareholders have approved a resolution towards listing of equity shares through an Initial Public Offer and accordingly Draft Red Herring Prospectus dated December 16, 2024 filed with the Securities and Exchange Board of India and with the Stock Exchanges on December 17, 2024.



(Continued...)

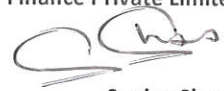


Notes:

(Continued...)

- 10 Pursuant to resolutions dated October 16, 2024 and October 17, 2024 passed by our Board and our Shareholders respectively, the name of our Company was changed to 'Aye Finance Limited'. A fresh certificate of incorporation dated December 10, 2024 was issued by the ROC consequent to our Company's conversion into a public limited company.
- 11 Pursuant to Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) 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.
- 12 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2024 are attached as Annexure I to these financial results.

**For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)**



**Sanjay Sharma
Managing Director
DIN: 03337545**

**Gurugram
February 07, 2025**



Annexure - I

Aye Finance Limited (Formerly known as Aye Finance Private Limited) (CIN: U65921DL1993PLC283660)
Registered Address: M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi - 110015, India
Tel. No.: 0124-4844000 | Email: corporate@ayefin.com | website: www.ayefin.com |

Additional Disclosures pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at December 31, 2024

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

S.No.	Particulars	For the nine months ended December 31, 2024
(a)	Debt equity ratio (times) (Refer Note 1)	2.78
(b)	Net worth (Refer Note 2)	1,537.70
(c)	Net profit after tax	130.57
(d)	Total debts to total assets (%) (Refer Note 3)	71.22%
(e)	Net profit margin (%) (Refer Note 4)	12.08%
(f)	Earnings per share (Rs.)	
	Basic	7.18
	Diluted	7.04
(g)	Sector specific equivalent ratios	
	(i) Gross stage III ratio	
	Gross Stage III ratio (%)	3.79%
	(Gross stage III loans / Total loans)	
	(ii) Net stage III ratio	
	Net NPA ratio (%)	1.31%
	(Gross stage III loans - ECL on Gross stage III / (Total loans - ECL on Gross stage III))	
	(iii) Provision coverage ratio	
	Provision coverage ratio (%)	66.45%
	(ECL on Gross stage III) / (Gross stage III)	
	(iv) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	36.28%
	(v) Liquidity coverage ratio (LCR)	372.28%

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 including intangible assets under development - 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.

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

Gurugram
February 07, 2025



Sanjay Sharma
Managing Director
DIN: 03337545