

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

12 August 2022

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

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of Aye Finance Private Limited (the "Company") for the quarter ended 30 June 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Chartered Accountants

5. The comparative financial information of the Company for the corresponding quarter ended June 30, 2021, as reported in these unaudited Ind AS financial results have been approved by the Company's Board of Directors but have not been subjected to a review.

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

Chartered Accountants

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

**per Amit Kabra**

Partner

Membership No.: 094533

UDIN: 22094533AOWSII4572

Place: Gurugram

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

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

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

Statement of unaudited financial results for the quarter ended June 30, 2022

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

Particulars	Quarter ended		Year ended	
	June 30, 2022 Unaudited	March 31, 2022 Audited **	June 30, 2021 Unaudited**	March 31, 2022 Audited
<b>Revenue from operations</b>				
Interest income	130.20	116.41	116.16	415.39
Fees and commission income	3.76	2.10	1.06	8.04
Net gain on derecognition of financial instruments under amortised cost category	3.46	-	-	-
Net gain on fair value changes	3.33	3.74	5.12	8.49
<b>Total revenue from operations</b>	<b>140.75</b>	<b>122.25</b>	<b>122.34</b>	<b>431.92</b>
Other income	4.23	3.73	2.48	11.57
<b>Total income</b>	<b>144.98</b>	<b>125.98</b>	<b>124.82</b>	<b>443.49</b>
<b>Expenses</b>				
Finance cost	49.01	38.98	43.68	158.55
Net loss on fair value changes	-	-	-	2.10
Impairment on financial instruments	19.37	21.61	81.52	121.10
Employee benefit expenses	49.05	50.93	40.44	175.76
Depreciation and amortization expense	2.59	3.84	2.31	9.97
Other expenses	13.65	16.58	7.95	43.42
<b>Total expenses</b>	<b>133.67</b>	<b>131.94</b>	<b>175.90</b>	<b>510.90</b>
<b>Profit / (Loss) before tax</b>	<b>11.31</b>	<b>(5.96)</b>	<b>(51.08)</b>	<b>(67.41)</b>
<b>Tax expense:</b>				
Current tax	-	-	-	-
Tax for earlier years	-	(5.63)	-	(5.63)
Deferred tax	3.19	(0.54)	(12.85)	(16.06)
<b>Income tax expense</b>	<b>3.19</b>	<b>(6.17)</b>	<b>(12.85)</b>	<b>(21.69)</b>
<b>Profit / (Loss) for the year / period (A)</b>	<b>8.12</b>	<b>0.21</b>	<b>(38.23)</b>	<b>(45.72)</b>
<b>Other comprehensive income / (loss)</b>				
Re-measurement income / (loss) on defined benefit plans	2.22	(0.04)	-	1.31
Income tax effect	(0.56)	-	-	(0.33)
<b>Other comprehensive income / (loss) (B)</b>	<b>1.66</b>	<b>(0.04)</b>	<b>-</b>	<b>0.98</b>
<b>Total comprehensive income / (loss) for the year / period (A+B)</b>	<b>9.78</b>	<b>0.17</b>	<b>(38.23)</b>	<b>(44.74)</b>
<b>Earnings per equity share</b>				
Basic EPS (Rs.) *	2.62	0.07	(12.33)	(14.74)
Diluted EPS (Rs.) *	2.59	0.07	(12.33)	(14.74)
Nominal value	10.00	10.00	10.00	10.00

\*\* Please refer note 4

\* Earnings per share for the quarters are not annualised

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

Place: Gurugram  
Date: August 12, 2022

Sanjay Sharma  
Managing Director  
DIN: 03337545

**Notes:**

- 1 The Company is a systemically important non-deposit taking non-banking financial company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- 2 The unaudited financial results for the quarter ended June 30, 2022, which have been subjected to limited review by the statutory auditor of the company, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 12, 2022. The report is being filed with the Bombay Stock Exchange ("BSE") 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 Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards ("IND AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve bank of India or other regulators are implemented as and when they are issued/applicable.
- 4 The figures of quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and reviewed figures for the nine months ended December 31, 2021. The corresponding figures for quarter ended June 30, 2021 were approved by the Board of Directors and were not subject to limited review by Statutory Auditor of the Company.
- 5 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, 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.
- 6 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 quarter ended June 30, 2022:

Particulars	Amount
Amount of loan accounts assigned	36.86
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	16.33 months
Weighted average holding period	10.02 months
Coverage of tangible security	0%
Rating-wise distribution of rated loans	Unrated

- (b) The Company had not acquired any loan (not in default) through assignment during the quarter ended June 30, 2022.
- (c) The Company has not transferred any stressed loan during the quarter ended June 30, 2022
- (d) The Company has not acquired any stressed loan during the quarter ended June 30, 2022

- 7 Pursuant to RBI circular dated November 12, 2021, "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – clarifications", the Company has taken necessary steps and complied with the provisions of the circular for regulatory reporting, as applicable. The financial results for the quarter ended June 30, 2022, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standard".
- 8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
- 9 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 10 The Company owns 99.999% of Foundation for Advancement of Micro Enterprises (FAME), incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.
- 11 Pursuant to 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.
- 12 Disclosures in compliance with Regulation 52(4) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2022 is attached as Annexure I to these financial results.
- 13 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**

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at June 30, 2022 with respect to listed secured debentures of the Company issued on a private placement basis.

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

(a) Omitted	
(b) Omitted	
(c) Debt equity ratio (Refer Note 1)	2.30
(d) Omitted	
(e) Omitted	
(f) Debt service coverage ratio:	Not applicable
(g) Interest service coverage ratio:	Not applicable
(h) Outstanding redeemable preference shares (quantity and value)	Not applicable
(i) Capital redemption Reserve:	Not applicable
(j) Net worth (Refer Note 2):	669.30
(k) <b>Net profit after tax:</b>	
Particulars	For the quarter ended June 30, 2022
Net profit after tax:	8.12
(l) <b>Earnings per share:</b>	
Particulars	For the quarter ended June 30, 2022
Basic	2.62
Diluted	2.59
(m) Current ratio	Not applicable
(n) Long term debt to working capital ratio:	Not applicable
(o) Bad debts to Account receivable ratio:	Not applicable
(p) Current liability ratio:	Not applicable
(q) Total debts to total assets (%) (Refer Note 3):	66.40%
(r) Debtors turnover:	Not applicable
(s) Inventory turnover:	Not applicable
(t) Operating margin(%):	Not applicable
(u) <b>Net profit margin(%) (Refer note 4):</b>	
Particulars	For the quarter ended June 30, 2022
Net profit margin(%):	5.60%
(v) <b>Sector specific ratios:</b>	
Gross NPA ratio (Gross stage III assets) (Refer Note 5)	3.42%
Net NPA ratio (Net stage III assets) (Refer Note 6)	1.54%
CRAR	37.02%
Liquidity coverage ratio	Not applicable
Provision coverage ratio (Refer Note 7)	55.97%

**Notes:**

- (1) Debt to 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 quarter / Total income for the quarter
- (5) Gross NPA ratio = Gross stage III loans / Gross loans
- (6) Net NPA ratio = (Gross stage III loans - Impairment allowance on stage III loans) / (Gross loans-Impairment allowance on stage III loans)
- (7) Provision coverage ratio = Provision on Gross stage III loans / Gross Stage III loans

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