

S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

Independent Auditor's Limited Review Report on unaudited Financial Results of Aye Finance Private Limited for the quarter and half year ended September 30, 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 half year ended September 30, 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 ended June 30, 2023, quarter and half year ended September 30, 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 August 10, 2023 and November 11, 2022 respectively, expressed an unmodified Conclusion on those unaudited financial



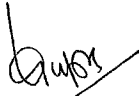
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results. The audited financial results for the year ended March 2023 included in the statement were audited by predecessor auditor whose report dated May 23, 2023 expressed an unmodified opinion.

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

For **S S Kothari Mehta & Co**
Chartered Accountants

Firm Registration No. MEHTA/00756N



Vijay Kumar

Partner

Membership No.092671

UDIN: 23092671BGSIGD7388

Place: Gurugram

Date: November 09, 2023

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: https://www.ayefin.com |
Statement of assets and liabilities as at September 30, 2023

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

Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	664.33	272.63
Bank balances other than cash and cash equivalents	186.81	121.42
Derivative financial instruments	0.35	3.07
Loans	3,108.77	2,560.17
Investments	57.31	84.46
Other financial assets	27.57	22.69
Total financial assets	4,045.14	3,064.44
Non-financial assets		
Current tax assets (net)	8.67	18.08
Deferred tax assets (net)	28.36	29.34
Property, plant and equipment	5.50	5.46
Right of use assets	17.44	21.15
Intangible assets under development	1.17	0.47
Intangible assets	0.96	0.55
Other non-financial assets	8.12	5.13
Total non-financial assets	70.22	80.18
Total assets	4,115.36	3,144.62
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	1,121.25	899.85
Borrowings (other than debt securities)	2,051.26	1,396.31
Lease liabilities	20.25	24.29
Other financial liabilities	42.64	33.26
Total financial liabilities	3,235.40	2,353.71
Non-financial liabilities		
Current tax liabilities (net)	-	-
Provisions	14.73	10.21
Other non-financial liabilities	14.01	12.20
Total non-financial liabilities	28.74	22.41
EQUITY		
Equity share capital	30.45	30.45
Other equity	820.77	738.05
Total equity	851.22	768.50
Total liabilities and equity	4,115.36	3,144.62

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



(Signature)

Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: November 09, 2023

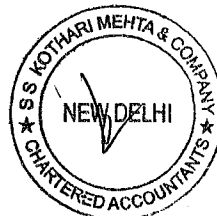
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(All amounts are in Rs. crores unless otherwise stated)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2023 (Unaudited)*	June 30, 2023 (Unaudited)*	September 30, 2022 (Unaudited)*	September 30, 2023 (Unaudited)*	September 30, 2022 (Unaudited)*	March 31, 2023 Audited
Revenue from operations						
Interest income	228.53	201.23	135.57	429.76	252.45	556.67
Fees and commission income	10.74	10.79	6.29	21.53	12.01	27.34
Net gain / (loss) on derecognition of financial instruments under amortised cost category	6.11	2.58	3.49	8.69	12.42	22.49
Net gain on fair value changes	5.09	10.16	8.30	14.37	11.65	18.95
Total revenue from operations	250.47	224.76	153.65	474.35	288.53	625.45
Other income	4.58	6.46	3.05	11.04	7.28	17.89
Total income	255.05	231.22	156.70	485.39	295.81	643.34
Expenses						
Finance cost	79.16	69.47	46.08	148.63	89.20	197.96
Net loss on fair value changes	-	3.57	6.99	2.69	7.01	6.57
Impairment on financial instruments	26.50	17.04	16.76	43.54	36.13	73.35
Employee benefit expenses	65.66	65.49	50.63	131.15	99.68	212.20
Depreciation and amortization expense	3.30	3.26	3.06	6.56	5.65	11.45
Other expenses	18.18	20.75	16.65	38.93	30.30	70.41
Total expenses	192.80	179.58	140.17	371.50	267.97	571.94
Profit / (Loss) before tax	62.25	51.64	16.53	113.89	27.84	71.40
Tax expense:						
Current tax	23.59	8.72	-	32.31	-	-
Tax for earlier years	-	-	-	-	-	0.62
Deferred tax	(1.97)	3.09	4.72	1.12	7.91	16.99
Income tax expense / (income)	21.62	11.81	4.72	33.43	7.91	17.61
Profit / (Loss) for the period / year (A)	40.63	39.83	11.81	80.46	19.93	53.79
Other comprehensive income / (loss)						
Items that will not be reclassified subsequently to profit or loss:						
Re-measurement income / (loss) on defined benefit plans	0.35	(0.91)	1.51	(0.56)	3.73	3.99
Income tax relating to items that will not be reclassified to profit or (loss)	0.39	(0.25)	(0.38)	0.14	(0.94)	(1.00)
Other comprehensive income / (loss) (B)	0.74	(1.16)	1.13	(0.42)	2.79	2.99
Total comprehensive income / (loss) for the period / year (A+B) [Comprising Profit / (loss) (after tax) and other comprehensive income (after tax)]	41.37	38.67	12.94	80.04	22.72	56.78
Earnings per equity share *						
Basic EPS (Rs.)	13.10	12.84	3.81	25.94	6.43	17.34
Diluted EPS (Rs.)	12.95	12.68	3.76	25.64	6.34	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

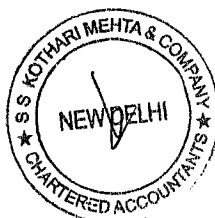
Place: Gurugram
Date: November 09, 2023

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Registered Address: M-5, Magnum House-I, Community Centre, Karampura, New Delhi - 110015
Tel. No.: 01244844000 | Email: corporate@ayefin.com | website: https://www.ayefin.com |
Statement of cash flow for the half year ended September 30, 2023

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

Particulars	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Cash flow from operating activities		
Profit / (Loss) before tax	113.89	27.84
Adjustments for:		
Depreciation and impairment of PPE	1.90	1.73
Depreciation on right of use assets	4.66	3.92
Unrealised foreign exchange gain	2.69	7.02
Unrealised (gain) / loss on investments in mutual fund	0.09	(0.27)
Profit on sale of mutual fund units	(9.51)	(4.02)
Impairment of financial instruments	17.86	(0.29)
Other comprehensive income / (loss)	-	-
Loans and advances written off	25.71	36.10
Loss on settlement	0.65	1.22
Loss on sale of property, plant and equipment (net)	0.03	-
Expense on employee stock option scheme	2.68	3.15
Unrealised Interest income on security deposit	0.50	0.14
Interest income on account of processing fees	4.25	14.41
Interest Expense on account of processing fees	(4.69)	(2.45)
Excess Interest Spread	0.43	12.51
Interest on leases liabilities	0.86	1.52
Operating profit before working capital changes	162.00	102.53
Movements in working capital:		
Decrease / (Increase) in bank balances not considered as cash and cash	(65.39)	(0.38)
(Increase) / Decrease in loan portfolio	(597.21)	(195.10)
(Increase) / Decrease in other financial assets	(5.81)	(10.33)
Decrease / (Increase) in other non financial assets	(2.99)	(1.33)
Increase / (Decrease) in other financial liabilities (excluding lease liabilities)	9.58	(26.40)
Increase / (Decrease) in derivative financial instruments	-	-
Increase / (Decrease) in other non financial liabilities	1.81	1.35
Increase / (Decrease) in provisions	3.54	0.74
Cash used in operations	(494.47)	(128.92)
Income taxes paid	(22.90)	(7.26)
Net cash used in operating activities (A)	(517.37)	(136.18)
Cash flow from investing activities		
Purchase of property, plant and equipment, excluding right of use assets	(2.60)	(2.17)
Sale of property, plant and equipment, excluding right of use assets	0.04	0.03
Purchase of investments	(2,820.36)	(1,598.42)
Sale of investments	2,856.93	1,579.55
Intangible assets under development	(0.70)	(0.17)
Net cash used in investing activities (B)	33.31	(21.18)

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Statement of cash flow for the half year ended September 30, 2023

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

Particulars	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
(Continued)		
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	3.13
Proceeds from issue of debt securities	413.71	197.45
Redemption of debt securities	(178.31)	(168.16)
Proceeds from borrowings (other than debt securities)	1,402.93	371.82
Repayment of borrowings (other than debt securities)	(743.29)	(281.36)
Payment of lease liabilities (including interest)	(5.28)	(1.13)
Movement of loan repayable on demand	(14.00)	(4.97)
Net cash generated from financing activities (C)	875.76	116.78
Net increase / (decrease) in cash and cash equivalents (A + B + C)	391.70	(40.58)
Cash and cash equivalents at the beginning of the period	272.63	152.79
Cash and cash equivalents at the end of the period	664.33	112.21
Components of cash and cash equivalents as at the end of the period		
Cash in hand	6.26	3.96
Balance with banks - on current account	137.88	38.09
Deposits with original maturity of less than or equal to 3 months	520.19	70.16
Total cash and cash equivalents	664.33	112.21

Note:
The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

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



Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: November 09, 2023

Notes:

- 1 The Company is a systemically important non-deposit taking non-banking financial company (NBFC-NDSI) as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- 2 The unaudited financial results for the quarter and half year ended September 30, 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 November 09, 2023. 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 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 Detail of resolution plan implemented under the resolution framework for COVID-19 related stress as per RBI circular dated August 06, 2020 (resolution framework - 2.0) and May 5, 2021 (resolution framework - 2.0) as at September 30, 2023 as given below: -

(All amounts are in rupees Crores)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at March 31, 2023 (A) *	Of (A), aggregate debt that slipped in to NPA during the half year ended September 30, 2023	Of (A) amount written off during the half year ended September 30, 2023	Of (A) amount paid by the borrowers during the half year ended September 30, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30, 2023 *
Personal loans #	9.63	2.61	0.65	3.10	3.27
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	9.63	2.61	0.65	3.10	3.27

* Consist of unbilled and overdue principal.

Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

- 5 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 during the half year ended September 30, 2023.

Amount of loan accounts transferred (Rupees in crores)	112.01
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (residual maturity)	18.96 months
Weighted average holding period	6.27 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 half year ended September 30, 2023.

(c) The Company has not transferred any stressed loans during the half year ended September 30, 2023.

(d) The Company has not acquired any stressed loan during the half year ended September 30, 2023.





(Continued)



Notes:
(Continued)

- 6 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.
- 7 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 8 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.
- 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 half year ended September 30, 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**



A handwritten signature in black ink, appearing to be "Sanjay Sharma".

Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: November 09, 2023

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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: https://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 September 30, 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 half year ended September 30, 2023
(a)	Debt equity ratio (times) (Refer Note 1)	3.90
(b)	Net worth (Rs in crores) (Refer Note 2)	818.48
(c)	Net profit after tax (Rs in crores)	80.46
(d)	Total debts to total assets (%) (Refer Note 3)	77.58%
(e)	Net profit margin (%) (Refer Note 4)	16.58%
(f)	Earnings per share (Rs)	
	Basic	25.94
	Diluted	25.64
(g)	Sector specific equivalent ratios as on September 30, 2023 (Calculated as per RBI guidelines)	
	(i) Gross stage III ratio	
	Gross Stage III ratio (%)	2.69%
	(Gross stage III loans / Total loans)	
	(ii) Net stage III ratio	
	Net NPA ratio (%)	1.26%
	(Gross stage III loans - ECL on Gross stage III / (Total loans - ECL on Gross stage III))	
	(iii) Provision coverage ratio	
	Provision coverage ratio (%)	53.83%
	(ECL on Gross stage III) / (Gross stage III)	
	(iv) Capital to risk-weighted assets ratio	29.97%

Notes:

- Debt equity ratio = (Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Net-worth.
- Net-worth = Total equity - Deferred tax - Intangible assets - Prepaid expenses.
- Total debt to total assets = ((Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Total assets.
- Net profit margin = Net profit for the period / Total income for the period.
- Other ratios / disclosures such as debt service coverage ratio, liquidity 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: November 09, 2023