

SS KOTHARI MEHTA & CO. LLP

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, 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 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, 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: 24092671 BKF BVH 9013



Place: New Delhi

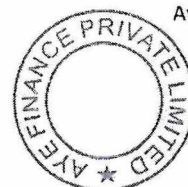
Date: October 30, 2024

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Registered Address: M-5, Magnum House-I, Community Centre, Karampura, West, New Delhi - 110015, India
Tel. No.: 0124-4844000 | Email: corporate@ayefin.com | website: www.ayefin.com |
Statement of assets and liabilities as at September 30, 2024

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

Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	926.15	526.59
Bank balances other than cash and cash equivalents	190.79	203.67
Derivative financial instruments	2.42	-
Loans	4,516.23	4,003.12
Investments	22.76	10.61
Other financial assets	31.88	30.66
Total financial assets	5,690.23	4,774.65
Non-financial assets		
Current tax assets (net)	24.44	11.73
Deferred tax assets (net)	52.49	43.94
Property, plant and equipment	12.75	8.96
Right of use assets	26.29	21.43
Intangible assets under development	2.38	2.95
Intangible assets	3.46	1.32
Other non-financial assets	10.47	8.07
Total non-financial assets	132.28	98.40
Total assets	5,822.51	4,873.05
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	-	3.15
Debt securities	1,387.31	1,022.34
Borrowings (other than debt securities)	2,695.79	2,476.65
Lease liabilities	28.55	23.63
Other financial liabilities	51.72	55.42
Total financial liabilities	4,163.37	3,581.19
Non-financial liabilities		
Current tax liabilities (net)	10.53	-
Provisions	33.34	30.29
Other non-financial liabilities	18.64	25.46
Total non-financial liabilities	62.51	55.75
EQUITY		
Equity share capital	37.79	39.93
Other equity	1,558.84	1,196.18
Total equity	1,596.63	1,236.11
Total liabilities and equity	5,822.51	4,873.05

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





Sanjay Sharma,
Managing Director
DIN: 03337545

Gurugram
October 30, 2024

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Statement of financial results for the quarter and half year ended September 30, 2024

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

Particulars	Quarter ended		Half year ended		Year ended	
	September	June	September	September	March	
	30, 2024	30, 2024	30, 2023	30, 2024	30, 2023	31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
Interest income	328.54	311.70	226.78	640.24	427.38	948.69
Fees and commission income	12.17	12.83	10.58	25.00	21.57	47.86
Net gain / (loss) on derecognition of financial instruments under amortised cost category	-	1.70	6.11	1.70	8.69	18.95
Net gain on fair value changes	16.09	9.21	5.09	25.30	14.37	24.72
Total revenue from operations	356.80	335.44	248.56	692.24	472.01	1,040.22
2 Other income	9.61	15.20	4.58	24.81	11.04	31.53
3 Total income [1 + 2]	366.41	350.64	253.14	717.05	483.05	1,071.75
4 Expenses						
Finance cost	121.15	108.11	78.63	229.26	148.10	326.53
Net loss on fair value changes	4.93	1.33	-	6.26	2.69	6.18
Impairment on financial instruments	52.80	48.59	24.31	101.39	41.35	131.40
Employee benefit expenses	91.45	82.46	65.72	173.91	131.21	275.21
Depreciation and amortization expense	5.26	4.50	3.30	9.76	6.56	14.54
Other expenses	28.18	24.18	18.93	52.36	39.25	90.03
Total expenses	303.77	269.17	190.89	572.94	369.16	843.89
5 Profit before tax [3 - 4]	62.64	81.47	62.25	144.11	113.89	227.86
6 Tax expense:						
Current tax	19.17	25.40	23.59	44.57	32.31	81.18
Deferred tax	(3.39)	(4.87)	(1.97)	(8.26)	1.12	(14.45)
Income tax expense [5 - 6]	15.78	20.53	21.62	36.31	33.43	66.73
7 Profit for the period / year (A)	46.86	60.94	40.63	107.80	80.46	161.13
8 Other comprehensive (loss)						
Items that won't be reclassified subsequently to profit or loss						
Re-measurement (loss) on defined benefit plans	0.03	(1.19)	0.35	(1.16)	(0.56)	(0.56)
Income tax effect	(0.01)	0.30	0.39	0.29	0.14	0.15
Other comprehensive income / (loss) for the period / year (B)	0.02	(0.89)	0.74	(0.87)	(0.42)	(0.41)
9 Total comprehensive income for the period / year (A+B)	46.88	60.05	41.37	106.93	80.04	160.72
10 Earnings per share *						
Basic (Rs.)	2.64	3.41	2.62	6.09	5.19	9.97
Diluted (Rs.)	2.58	3.37	2.59	5.97	5.13	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 subsequent event of split. Please refer note 10.

Gurugram
October 30, 2024



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



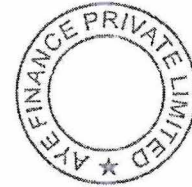

Sanjay Sharma
Managing Director
DIN: 03337545

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Statement of cash flow for the half year ended September 30, 2024

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

Particulars	For the half year ended September 30, 2024 Unaudited	For the half year ended September 30, 2023 Unaudited
Cash flow from operating activities		
Profit before tax	144.11	113.89
Adjustments for:		
Depreciation and impairment of PPE	4.52	1.90
Depreciation on right of use assets	5.24	4.66
Loss / (Gain) on fair value of cross currency swap	0.69	2.69
Unrealised loss on investments in mutual fund	-	0.09
Profit on sale of mutual fund units	(19.73)	(9.51)
Impairment of financial instruments	24.02	17.86
(Gain) on early termination of lease	(0.21)	-
Provision on investment	-	-
Loans and advances written off	78.35	23.52
Loss on settlement	0.94	0.65
Loss on sale of property, plant and equipment (net)	(0.04)	(0.01)
Expense on employee stock option scheme	3.75	2.68
Unrealised interest income on security deposit	(0.21)	(0.50)
Interest on leases liabilities	1.94	0.86
Operating profit before working capital changes	243.37	158.78
Movements in working capital:		
Decrease / (Increase) in bank balances not considered as cash and cash equivalents	12.88	(65.39)
(Increase) in loan portfolio	(616.42)	(595.36)
(Increase) in other financial assets	(1.32)	(5.39)
(Increase) in other non financial assets	(2.40)	(2.99)
(Decrease) / Increase in other financial liabilities (excluding lease liabilities)	(3.32)	14.44
(Decrease) / Increase in other non financial liabilities	(6.80)	1.69
Increase / (Decrease) in provisions	1.90	3.83
Cash used in operations	(372.11)	(490.39)
Income taxes paid	(46.75)	(22.90)
Net cash used in operating activities (A)	(418.86)	(513.30)

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Signature

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Statement of cash flow for the half year ended September 30, 2024

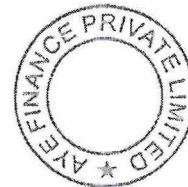
(All amounts are in Rs. crores unless otherwise stated)

Particulars	For the half year ended September 30, 2024 Unaudited	For the half year ended September 30, 2023 Unaudited
(Continued)		
Cash flow from investing activities		
Purchase of property, plant and equipment, excluding right of use assets	(10.36)	(3.30)
Sale of property, plant and equipment, excluding right of use assets	0.12	0.04
Purchase of investments	(5,365.03)	(2,820.36)
Sale of investments	5,372.61	2,856.93
Intangible assets under development	-	-
Net cash used in / generated from investing activities (B)	(2.66)	33.31
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium net of issue expenses)	249.85	-
Proceeds from issue of debt securities	624.00	413.71
Redemption of debt securities	(259.03)	(192.31)
Proceeds from borrowings (other than debt securities)	1,286.00	1,402.93
Repayment of borrowings (other than debt securities)	(1,073.12)	(747.36)
Payment of lease liabilities (including interest)	(6.62)	(5.28)
Net cash generated from financing activities (C)	821.08	871.69
Net increase / (decrease) in cash and cash equivalents (A + B + C)	399.56	391.70
Cash and cash equivalents at the beginning of the period	526.59	272.63
Cash and cash equivalents at the end of the year	926.15	664.33
Components of cash and cash equivalents as at the end of the period		
Cash in hand	7.12	6.26
Balance with banks - on current account	213.67	137.88
Deposits with original maturity of less than or equal to 3 months	705.36	520.19
Total cash and cash equivalents	926.15	664.33

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

Gurugram
October 30, 2024

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Notes:

- 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.
- The unaudited financial results for the quarter and half year ended September 30, 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 October 30, 2024. The report is being filed with the BSE Limited and is also available on the Company's website www.ayefin.com
- 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.
- 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, 2024 as given below: -

(All amounts are in Rs. Crores)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2024 (A) *	Of (A), aggregate debt that slipped to NPA during the half year ended September 30, 2024	Of (A) amount written off during the half year ended September 30, 2024	Of (A) amount paid by the borrowers during the half year ended September 30, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30, 2024 *
Personal loans #	1.38	0.13	0.03	0.75	0.47
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1.38	0.13	0.03	0.75	0.47

* Consist of unbilled and overdue principal.

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

- 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 half year ended September 30, 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 half year ended September 30, 2024.

(c) The Company has not transferred any stressed loans during the half year ended September 30, 2024.

(d) The Company has not acquired any stressed loan during the half year ended September 30, 2024.



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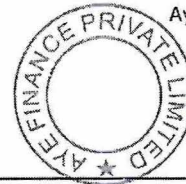
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Notes:

(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 IndAS 108 on 'Operating Segments' in respect of the Company.
- 8 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.
- 9 During the period September 30, 2024, the Company had allotted 3,04,29,293 equity shares of Rs. 10 each on conversion of 3,09,21,692 Compulsory Convertible Preference Shares ('CCPs') on September 23, 2024 as per the agreed terms to CCPS holders. Mr. Sanjay Sharma, founder and Managing Director of the Company, had exercised 9,49,376 warrants and paid remaining amount of Rs. 653.11 per warrant. Post that Company allotted him 9,49,376 equity shares of Rs. 10 each on September 24, 2024. The Company had also allotted 21,39,125 equity shares of the Company of face value of Rs. 10 each at a premium of Rs. 868.63 on September 26, 2024 as per share subscription agreement dated September 18, 2024 entered into by and amongst the Company, IMP2 Assets Pte. Ltd. ("ABC Impact"), British International Investment plc ("BII"), Mr. Sanjay Sharma, Shvet Corporation LLP and Shankh Corporation LLP, and the amended and restated shareholders' agreement dated September 18, 2024 entered by and amongst inter alia the Company, BII and ABC Impact.
- 10 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".
- 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 half year ended September 30, 2024 are attached as Annexure I to these financial results.

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



[Handwritten Signature]

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
October 30, 2024



Annexure - I

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)

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Additional Disclosures pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at September 30, 2024

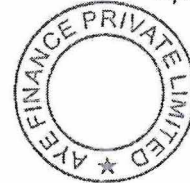
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S.No.	Particulars	For the half year ended September 30, 2024
(a)	Debt equity ratio (times) (Refer Note 1)	2.68
(b)	Net worth (Refer Note 2)	1,533.99
(c)	Net profit after tax	107.80
(d)	Total debts to total assets (%) (Refer Note 3)	70.62%
(e)	Net profit margin (%) (Refer Note 4)	15.03%
(f)	Earnings per share (Rs.)	
	Basic	6.09
	Diluted	5.97
(g)	Sector specific equivalent ratios	
	(i) Gross stage III ratio	
	Gross Stage III ratio (%)	3.32%
	(Gross stage III loans / Total loans)	
	(ii) Net stage III ratio	
	Net NPA ratio (%)	1.15%
	(Gross stage III loans - ECL on Gross stage III / (Total loans - ECL on Gross stage III)	
	(iii) Provision coverage ratio	
	Provision coverage ratio (%)	66.07%
	(ECL on Gross stage III) / (Gross stage III)	
	(iv) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	37.61%
	(v) Liquidity coverage ratio (LCR)	249.95%

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 including intangible assets under development - 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, 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 Private Limited



[Signature]

Sanjay Sharma
Managing Director
DIN: 03337545



Gurugram
October 30, 2024