INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AYE FINANCE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AYE FINANCE PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2024, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Sr. No.	Key Audit Matters	Auditor's Response
	Allowance for Expected Credit Losses (ECL) in respect of loan assets. *[Refer Note No. 2.14 for the accounting policy and Note No. 49 for the related disclosures]* As at March 31, 2024, the Company has financial assets (loans) amounting to Rs. 4,133.40 Crores. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default (PD) , loss given default (LGD) and exposure at default (EAD). ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures : • **Walkthrough and Control Assessment:** Conducted a walkthrough of the impairment loss allowance process, assessing the design effectiveness of controls. • **Policy and Compliance Review:** Evaluated the Company's accounting policies for impairment of financial assets for compliance with Ind AS 109 and the Board-approved governance framework per RBI guidelines. • **Model Understanding and Key Inputs:** Gained an understanding of the Company's model for calculating expected credit losses, including key inputs, assumptions, and management overlays, assessing the appropriateness and accuracy of data used. • **Analytical Procedures:** Performed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures. • **Credit Risk Assessment:** Evaluated the Company's determination of significant increase in credit risk, checked compliance with Ind AS 109, and assessed historical data relevance in light of recent impairment losses. Tested loan staging criteria and indicators for loss. • **Controls and Calculation Testing:** Tested the design and operating effectiveness of key controls, accuracy of inputs, and reasonableness of assumptions used in ECL calculations. Verified arithmetic

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Sr. No.	Key Audit Matters	Auditor's Response
		calculations and assessed presentation and disclosures.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon. The Company's Board Report is expected to be made available to us after the date of this auditor's report.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:-

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March,2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Rules.

   g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :-

   The Company is a private limited company and hence the provisions of section 197 of the Companies Act, 2013 is not applicable to the Company. Accordingly, reporting under section 197(16) of the Act is not applicable to the Company.

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i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-

i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 33 to the Financial Statements.

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. – Refer Note 41 to the financial statements.

iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. the company has not declared or paid any dividend during the year ended March 31,2024.

vi. Based on our examination which included test checks, the Company has used accounting software and loan management software for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit logs at database level for the accounting software were not enabled and certain parameters of audit trail were not captured for loan management software.

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Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, thus reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/N500441

S.S. KOTHARI MEHTA & CO. LLP * NEW DELHI * Chartered Accountants

Vijay Kumar
Partner
Membership No. 092671

Place: New Delhi
Date: May 24, 2024

UDIN: 24092671BKFBOU9491

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AYE FINANCE PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. Based on the information and explanation given to us, the Company does not have any immovable property, hence reporting under clause 3(i) (c) of the order is not applicable.

d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) As disclosed in note 55(f) to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five Crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company.

iii.

(a) Since, the Company's Principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable as the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

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(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:-

(Amount in Rs. in Crores)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Hypothecation Loan & Switchpe loan	19,199	51.34	16.38	67.72
Mortgage Loan	52	0.22	0.2	0.42
Quasi-Mortgage Loan	1,014	2.13	0.86	2.99
Total	**20,265**	**53.69**	**17.44**	**71.13**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a Non-Banking Financial Company whose principal business is to give loans.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of investments made.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

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a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except Provident fund amount of Rs. 0.12 Crores and Labour Welfare Fund amount of Rs. 0.04 Crores.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:-

Name of the statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount under dispute (Rs.in crores)**	**Amount Paid (Rs.in crores)****
The Income Tax Act, 1961	Income Tax Demands	Commissioner of Income Tax (Appeals)	AY 2017-18	2.44	0.48

*AY=Assessment Year

** paid under protest

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

(d) According to the information and explanation given to us and based on our overall examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Further, the company does not have any associate or joint venture.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiary company during the

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year. Further, the company does not have any associate or joint venture. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, The Company has made a private placement and preferential allotment of compulsorily convertible preference shares and the preferential allotment of equity warrants, during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised. The Company has not made any preferential allotment or private placement of convertible debentures (fully or partly or optionally) during the year.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of embezzlement of cash by staff, involving amount aggregating to Rs. 0.42 Crores as mentioned in Note No. 53.18 to the financial statements. As informed to us, the Company has terminated the services of such employees and also initiated legal action against them, wherever necessary.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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xvi. (a) The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. In terms of RBI Circular RBI/2021-22/25 dated April 27, 2021, w.r.t. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the previous statutory auditors of the Company had resigned during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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(b) As per information and explanations given to us, there are no ongoing projects with respect to CSR. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

Vijay Kumar

Partner
Membership No. 092671

S.S. KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

Place: New Delhi
Date: May, 24 2024
UDIN: 24092671BKFBOU9491

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Aye Finance Private Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report

We have audited the internal financial controls with reference to Financial Statements of **Aye Finance Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

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Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, based on the records, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Reg. No. :- 000756N/N500441

Vijay Kumar
Partner
Membership No. 092671

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

Place: New Delhi
Date: May 24, 2024
UDIN: 24092671BKFBOU9491

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Balance sheet as at March 31, 2024
(All amounts are in Rs. crores unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	526.59	272.63
Bank balances other than cash and cash equivalents	4	203.67	121.42
Derivative financial instruments	12	-	3.07
Loans	5	4,003.12	2,555.44
Investments	6	10.61	84.46
Other financial assets	7	30.66	22.81
Total financial assets		**4,774.65**	**3,059.83**
Non-financial assets			
Current tax assets (net)	8	11.73	18.08
Deferred tax assets (net)	9	43.94	29.34
Property, plant and equipment	10A	8.96	5.46
Right of use assets	10B	21.43	21.15
Intangible assets under development	37	2.95	0.47
Intangible assets	10C	1.32	0.55
Other non-financial assets	11	8.07	5.13
Total non-financial assets		**98.40**	**80.18**
Total assets		**4,873.05**	**3,140.01**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	3.15	-
Debt securities	13	1,022.34	899.85
Borrowings (other than debt securities)	14	2,476.65	1,396.31
Lease liabilities	15	23.63	24.29
Other financial liabilities	16	55.42	16.07
Total financial liabilities		**3,581.19**	**2,336.52**
Non-financial liabilities			
Provisions	17	30.29	22.67
Other non-financial liabilities	18	25.46	12.32
Total non-financial liabilities		**55.75**	**34.99**
EQUITY			
Equity share capital	19	39.93	30.45
Other equity	20	1,196.18	738.05
Total equity		**1,236.11**	**768.50**
Total liabilities and equity		**4,873.05**	**3,140.01**

Summary of material accounting policies. 1 to 2
The accompanying notes are an integral part of the financial statements. 3 to 55

In terms of our report attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

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

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

per Vijay Kumar
Partner
Membership No: 092671
New Delhi
May 24, 2024

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 24, 2024

Govinda Rajulu Chintala
Chairperson and Independent Director
DIN: 03622371
Virginia, USA
May 24, 2024

Krishan Gopal
Chief Financial Officer
Gurugram
May 24, 2024

Tripti Pandey
Company Secretary
Membership No: 32760
Gurugram
May 24, 2024

AYE FINANCE PVT LTD

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Statement of profit and loss for the year ended March 31, 2024
(All amounts are in Rs. crores unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Interest income	21	948.69	566.49
Fees and commission income	23	47.86	25.48
Net gain on derecognition of financial instruments under amortised cost category	22	18.95	12.51
Net gain on fair value changes	24	24.72	18.95
Total revenue from operations		**1,040.22**	**623.43**
Other income	25	31.53	19.91
Total income		**1,071.75**	**643.34**
Expenses			
Finance cost	26	326.53	197.96
Net loss on fair value changes	27	6.18	6.57
Impairment on financial instruments	28	131.40	73.35
Employee benefit expenses	29	275.21	212.20
Depreciation and amortization expense	10	14.54	11.45
ner expenses	30	90.03	70.41
ıotal expenses		**843.89**	**571.94**
Profit before tax		**227.86**	**71.40**
Tax expense:			
Current tax		81.18	0.62
Deferred tax		(14.45)	16.99
Income tax expense		**66.73**	**17.61**
Profit for the year (A)		**161.13**	**53.79**
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement income on defined benefit plans		(0.56)	3.99
Income tax effect		0.15	(1.00)
Other comprehensive (loss) / income (B)		**(0.41)**	**2.99**
Total comprehensive income for the year (A+B)		**160.72**	**56.78**
.rnings per share (equity share, par value of Rs. 10 each)			
Basic (Rs.)	32	49.84	17.34
Diluted (Rs.)	32	49.29	17.13
Nominal value (Rs.)		10.00	10.00
Summary of material accounting policies	1 to 2		
The accompanying notes are an integral part of the financial statements.	3 to 55		

In terms of our report attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

per Vijay Kumar
Partner

Membership No: 092671
New Delhi
May 24, 2024

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

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 24, 2024

Govinda Rajulu Chintala
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DIN: 03622371
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May 24, 2024

Krishan Gopal
Chief Financial Officer
Gurugram
May 24, 2024

Tripti Pandey
Company Secretary
Membership No: 32760
Gurugram
May 24, 2024

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Statement of cash flow for the year ended March 31, 2024
(All amounts are in Rs. crores unless otherwise stated)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit / (Loss) before tax	227.86	71.40
Adjustments for:		
Depreciation and impairment of PPE	5.09	4.13
Depreciation on right of use assets	9.45	7.32
Loss/ (Gain) on fair value of cross currency swap	6.22	(0.39)
Unrealised (gain) / loss on investments in mutual fund	-	(0.14)
Profit on sale of mutual fund units	(21.01)	(11.85)
Impairment of financial instruments	76.80	20.85
Profit on Early Termination of lease	(0.26)	-
Provision on Investment	0.25	-
Loans and advances written off	55.31	50.00
Loss on settlement	1.68	2.50
Loss on sale of property, plant and equipment (net)	0.05	-
Expense on employee stock option scheme	4.70	5.70
Unrealised Interest income on security deposit	(0.63)	-
Interest Income on account of processing fees amortisation	17.86	-
Interest Expense on account of processing fees amortisation	(7.75)	-
Excess Interest Spread	(0.31)	-
Interest on leases liabilities	2.21	3.16
Operating profit before working capital changes	**377.52**	**152.68**
Movements in working capital:		
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	(82.25)	102.95
(Increase) / Decrease in loan portfolio	(1,599.33)	(941.08)
(Increase) / Decrease in other financial assets	(7.97)	(15.72)
(Increase) / Decrease in other non financial assets	(2.94)	1.21
Increase / (Decrease) in other financial liabilities (excluding lease liabilities)	39.02	(16.71)
Increase / (Decrease) in derivative financial instruments	-	(6.96)
Increase / (Decrease) in other non financial liabilities	13.14	5.97
Increase / (Decrease) in provisions	7.06	6.51
Cash used in operations	**(1,255.75)**	**(711.15)**
Income taxes paid	(74.83)	(8.87)
Net cash used in operating activities (A)	**(1,330.58)**	**(720.02)**
Cash flow from investing activities		
Purchase of property, plant and equipment, excluding right of use assets	(9.60)	(4.43)
Sale of property, plant and equipment, excluding right of use assets	0.05	-
Purchase of investments	(7,188.50)	(3,743.81)
Sale of investments	7,283.11	3,826.45
Intangible assets under development	(2.01)	-
Net cash used in investing activities (B)	**83.05**	**78.21**

(Continued)

S S KOTHARI MEHTA & CO LLP
NEW DELHI
Chartered Accountants

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Continued)		
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	302.09	-
Amount received from issue of share warrants	0.09	-
Proceeds from issue of debt securities	678.70	492.65
Redemption of debt securities	(556.21)	(515.03)
Proceeds from borrowings (other than debt securities)	2,839.50	1,267.72
Repayment of borrowings (other than debt securities)	(1,713.41)	(473.64)
Payment of lease liabilities (including interest)	(11.27)	(10.11)
Movement of loan repayable on demand	(38.00)	-
Net cash generated from financing activities (C)	**1,501.49**	**761.59**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**253.96**	**119.79**
Cash and cash equivalents at the beginning of the period	272.63	152.84
Cash and cash equivalents at the end of the year (refer note 3)	**526.59**	**272.63**
Components of cash and cash equivalents as at the end of the period		
Cash in hand	9.20	4.93
Balance with banks - on current account	227.14	37.37
Deposits with original maturity of less than or equal to 3 months	290.25	230.33
Total cash and cash equivalents	**526.59**	**272.63**

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".

In terms of our report attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

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

S S KOTHARI MEHTA & CO LLP NEW DELHI Chartered Accountants

per Vijay Kumar
Partner
Membership No: 092671
New Delhi
May 24, 2024

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 24, 2024

Govinda Rajulu Chintala
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Krishan Gopal
Chief Financial Officer
Gurugram
May 24, 2024

Tripti Pandey
Tripti Pandey
Company Secretary
Membership No: 32760
Gurugram
May 24, 2024

AYE FINANCE PVT. LTD.

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Statement of changes in equity for the year ended March 31, 2024

B. Other equity

Particulars	Reserves and surplus						
	Statutory reserve under section 45IC of RBI Act	Securities premium	Share option outstanding account	Retained earnings	Other comprehensive income	Share warrants	Total
Balance at the end of the reporting year 2022	**15.13**	**659.34**	**11.50**	**(10.93)**	**0.52**	-	**675.56**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the end of the reporting year 2022	**15.13**	**659.34**	**11.50**	**(10.93)**	**0.52**	-	**675.56**
Profit for the year	-	-	-	53.79	-	-	53.79
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	11.00	-	-	(11.00)	-	-	-
Other comprehensive income for the year	-	-	-	-	2.99	-	2.99
Transfer to / from share option outstanding account	-	-	5.71	-	-	-	5.71
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-
Balance at the end of the reporting year 2023	**26.13**	**659.34**	**17.21**	**31.86**	**3.51**	-	**738.05**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the end of the reporting year 2023	**26.13**	**659.34**	**17.21**	**31.86**	**3.51**	-	**738.05**
Profit for the year	-	-	-	161.13	-	-	161.13
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	32.23	-	-	(32.23)	-	-	-
Other comprehensive income for the year	-	-	-	-	(0.41)	-	(0.41)
Transfer to / from share option outstanding account	-	-	4.70	-	-	-	4.70
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-
Premium on Issue of share capital	-	292.61	-	-	-	-	292.61
Money received against share warrants	-	-	-	-	-	0.09	0.09
Balance at the end of the reporting year 2024	**58.36**	**951.95**	**21.91**	**160.76**	**3.10**	**0.09**	**1,196.18**

In terms of our report attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

per Vijay Kumar
Partner

Membership No: 092671
New Delhi
May 24, 2024

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

Sanjay Sharma
Managing Director

DIN: 03337545
Gurugram
May 24, 2024

Govinda Rajulu Chintala
Chairperson and
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DIN: 03622371
Virginia, USA
May 24, 2024

Krishan Gopal
Chief Financial Officer

Gurugram
May 24, 2024

Tripti Pandey
Company Secretary

Membership No.: 32760
Place: Gurugram
May 24, 2024

Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Statement of changes in equity for the year ended March 31, 2024

A. Equity share capital

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,04,52,654	30.45	3,04,52,654	30.45
Changes in equity share capital during the year	47,39,244	9.48	-	-
Balance at the end of the year	**3,51,91,898**	**39.93**	**3,04,52,654**	**30.45**

Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
Equity shares of Rs. 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the reporting year	48,30,500	4.83	48,30,500	4.83
Changes in share capital due to prior period errors	-	-	-	-
Amount recoverable from ESOP Trust (face value of 5,60,294 shares of Rs. 10 each held by trust)	-	(0.56)	-	(0.56)
Restated balance at the beginning of the current/previous Reporting period	48,30,500	4.27	48,30,500	4.27
Changes in share capital during the year	20	-	-	-
Balance at the end of the reporting year	**48,30,520**	**4.27**	**48,30,500**	**4.27**

Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2024		As at March 31, 2023	
Preference shares of Rs. 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the reporting year	2,61,82,448	26.18	2,61,82,448	26.18
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/previous Reporting period	2,61,82,448	26.18	2,61,82,448	26.18
Changes in share capital during the year	-	-	-	-
Balance at the end of the reporting year	**2,61,82,448**	**26.18**	**2,61,82,448**	**26.18**

Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2024		As at March 31, 2023	
Preference shares of Rs. 20 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the reporting year	-	-	-	-
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/previous Reporting period	-	-	-	-
Changes in share capital during the year	47,39,244	9.48	-	-
Balance at the end of the reporting year	**47,39,244**	**9.48**	**-**	**-**

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

AYE FINANCE PVT. LTD.

1 General information

Aye Finance Private Limited ("AFPL" or "the Company") was incorporated to carry on the business of a finance company and to provide finance (whether short or long term loan or working capital finance, development finance, factoring, leasing, guarantees or any other debt related funding) to micro, small and medium scale enterprises and to individuals. On July 18, 2014, the Company received a certificate of registration from the Reserve Bank of India vide registration no. B-14.03323 under Section 45-IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non-Banking Financial Company (NBFC) without acceptance of public deposits. The Company is currently a systemically important non deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non-Banking Financial Company are applicable to the Company. The registered office of the Company is situated in Delhi.
The Company has issued debentures on a private placement basis and the said securities are listed with Bombay Stock Exchange (BSE) on Debt market segment.

2 Material accounting policies:

2.1 Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

2.2 Basis of preparation:

The financial statements have been prepared on a going concern basis the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

2.3 Presentation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2020 , as amended ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the crores, except when otherwise indicated. The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

(a) The normal course of business
(b) The event of default
(c) The event of insolvency or bankruptcy of the Group and / or its counterparties

Material accounting policies:
(Continued)

AYE FINANCE PVT LTD

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

2 Material accounting policies:
(Continued)

2.4 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(a) Interest income

EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at fair value through other comprehensive income ('FVOCI') and fair value through profit and loss (FVTPL). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is recorded as and when realised.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

(b) Net gain or fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss.

(c) Net gain / (loss) on de recognition of financial instruments under amortised cost category

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in statement of profit and loss.

Income from direct assignment transaction represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and consideration received (including any new asset obtained less any new liability).

(d) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. This includes cheque bouncing charges, late payment charges and prepayment charges etc. which are recorded as and when realised.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IndAS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Material accounting policies:
(Continued)

S S KOTHARI MEHTA & CO. LLP
NEW DELHI
Chartered Accountants

2 **Material accounting policies:**
(Continued)

2.4 **Revenue recognition:**

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.
Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(e) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.5 **Leases:**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116

The Company as a lessee
The Company's lease asset classes primarily consist of leases for its various office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company has not exercised the exemption to exclude short term leases or low value leases.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.
Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

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2 Material accounting policies:
(Continued)

2.6 Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

(a) Short term employee benefits:
Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Post employment benefits:

(i) Defined contribution plan
The Company's contribution to Employee Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund under the relevant Acts are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined benefit plan
Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

(c) Long-term employee benefits
Compensated absences with respect to leave encashment benefits payable to employees of the Company while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

(d) Termination benefits
Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

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2 Material accounting policies:
(Continued)

2.7 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is measured in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current tax and deferred tax for the year

Current tax and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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2 Material accounting policies:
(Continued)

2.8 Property, plant and equipment:

(a) Property, plant and equipment
Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes import duties and any non-refundable taxes on such purchase, after deducting rebates and trade discounts and is inclusive of freight, duties, taxes and other incidental expenses. All cost are capitalized which are directly attributable to bringing assets to the condition and location essential for it to operate in a manner as intended by the management. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim.

Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

(b) Depreciation and amortisation
Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. Leasehold improvements are amortised over the period of lease.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets is acquired/installed. Depreciation on sale/deduction from property, plant and equipment is provided for up to the date of sale deduction and discernment as the case may be.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In respect of assets whose useful lives has been revised, the unamortized depreciable amount is charged over the revised remaining useful lives of the assets.

(c) Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

2.9 Intangible assets:

(a) Recognition and measurement
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a written down basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits / functioning capability from / of such assets.

(b) Derecognition of Intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(c) Useful lives of intangible assets
Estimated useful lives of the intangible asset for the current and comparative periods are as follows:
Computer software: 3 years

(d) Intangible Assets under development which are under development as at the balance sheet date.

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2 Material accounting policies:
(Continued)

2.10 Impairment of non financial assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.
An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

2.11 Provisions, contingent liabilities and contingent assets:

(a) Provisions
Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

(b) Contingent liabilities
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(c) Contingent assets
Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow of economic benefits is probable.

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2 Material accounting policies:
(Continued)

2.12 Share-based payment arrangements:

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date in accordance with IND AS 102, Share-based payments. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The company has constituted an Employee Stock Option Plan 2016. The Plan provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

The company has constituted an Employee Stock Option Plan 2020. The company has transferred all the ungranted options under Employee Stock Option Plan 2016 to Employee Stock Option Plan 2020 while options granted under the Employee Stock Option Plan 2016 continue to be governed by the conditions of Employee Stock Option Plan 2016. Both plans provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

2.13 Financial instruments:

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(a) Financial assets

Initial recognition and measurement
All financial assets are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial asset are adjusted to the fair value on initial recognition.

Subsequent measurement
For the purpose of Subsequent measurement, the Company classifies financial assets in following categories:
(i) Financial assets at amortized cost
(ii) Financial assets at fair value through other comprehensive income (FVTOCI)
(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets shall be measured at amortized cost if both of the following conditions are met:
(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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2 Material accounting policies:
(Continued)

2.13 Financial instruments:
(Continued)

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:
(i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL

Subsequent measurement of financial assets
Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

Financial investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

All other equity investments are measured at fair value, with value changes recognised in Profit and loss, except for those equity investments for which the company has elected to present the changes in fair value through OCI.

De-recognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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2 Material accounting policies:
(Continued)

2.13 Financial instruments:
(Continued)

(b) Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and transaction costs that are attributable to the acquisition of the financial liabilities are adjusted to the fair value on initial recognition.

Subsequent measurement
Subsequent to initial recognition, all liabilities are measured at amortized cost using the effective interest method except for derivatives, financial liabilities designated for measurement at FVTPL which are measured at fair value.

De-recognition of financial liabilities
A financial liabilities is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments
A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Reclassification of financial assets and liabilities
The Company doesn't reclassify its financial assets and liabilities subsequent to their initial recognition.

Modification of financial assets and financial liabilities
Financial assets
The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities
The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

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2 Material accounting policies:
(Continued)

2.14 Impairment of financial instruments:
(Continued)

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets other than those measured through profit and loss (FVTPL).

(a) Expected credit losses are measured through a loss allowance at an amount equal to:
The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial
Both LTECLs (Lifetime expected Credit losses) and 12 months ECLs are calculated on collective basis.

(b) Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1
When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2
When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3 and facilities where the credit risk has been increased due to restructuring and loan has been reclassified from stage 1.

Stage 3
Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Definition of Default
The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

Significant increase in credit risk
The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

(c) Calculation of ECLs
The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD)
Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)
Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Loss Given Default (LGD)
Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

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2 Material accounting policies:
(Continued)

2.14 Impairment of financial instruments:
(Continued)

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

The mechanics of the ECL method are summarised below:

Stage 1

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to the EAD and multiplied by the expected LGD.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3 / Regulatory Stage 3

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(d) Loss allowances for ECL are presented in the statement of financial position as follows:

(i) for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
(ii) for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

(e) Write offs

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

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2 Material accounting policies:
(Continued)

2.15 Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in statement of profit and loss.

Hedge accounting
The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.
Hedges that meet the criteria for hedge accounting are accounted for, as described below:
Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.
For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.

2.16 Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements. The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

(a) Level 1 financial instruments
Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

(b) Level 2 financial instruments
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

(c) Level 3 financial instruments
Include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

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2 Material accounting policies:
(Continued)

2.17 Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The following are significant management estimation/uncertainty and judgement in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Defined benefit obligation
Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Business model assessment
Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Fair value of financial instruments : The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

Effective Interest Rate (EIR) method : The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Property, plant and equipment
Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities
At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

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2 Material accounting policies:
(Continued)

2.17 Significant management judgements in applying accounting policies and estimation uncertainty
(Continued)

Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

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

3	Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
	Cash on hand	9.20	4.93
	Balances with banks:		
	On current accounts	227.14	37.37
	Deposit with original maturity of less than three months	290.25	230.33
		526.59	**272.63**

Note (1): Cash in hand includes balance in prepaid cards obtained by Company for its routine expenses from the banks.

Note (2): Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying periods of between one day and three months, depending upon the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

4	Bank balances other than cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
	Fixed deposit with original maturity for more than three months	46.34	5.00
	Balances with banks to the extent held as margin money or security against borrowing, guarantees and other commitments		
	Balance held as security against borrowings	6.51	37.40
	Balance held as security against securitisation	150.82	79.02
		203.67	**121.42**

Note: Fixed deposits and margin money deposits with banks earns interest at fixed rates or floating rates based on daily bank deposit rates.

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5 Loan portfolio	As at March 31, 2024	As at March 31, 2023
Revolving working capital	-	0.01
Term loans	4,129.66	2,605.69
Staff loan	3.74	3.22
Total - Gross	**4,133.40**	**2,608.92**
Less: Impairment loss allowance	130.28	53.48
Total - Net	**4,003.12**	**2,555.44**
(A) As per NBFC Directions		
(I) Others	4,133.40	2,608.92
(II) To Related parties	-	-
Total (A) Gross	**4,133.40**	**2,608.92**
Less: Impairment loss allowance	130.28	53.48
Total (A) Net	**4,003.12**	**2,555.44**
(B) Based on security		
(I) Secured	2,474.21	1,792.74
(II) Unsecured	1,659.19	816.18
Total (B) Gross	**4,133.40**	**2,608.92**
Less: Impairment loss allowance	130.28	53.48
Total (B) Net	**4,003.12**	**2,555.44**
(C) Based on region		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	4,133.40	2,608.92
Total (C) (I) Gross	**4,133.40**	**2,608.92**
Less: Impairment loss allowance	130.28	53.48
Total (C) (I) Net	**4,003.12**	**2,555.44**
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) (II) Net	**-**	**-**
Total (C) (I) and (C) (II)	**4,003.12**	**2,555.44**

Note:

For the year ended March 31, 2024, management overlay of Rs. 20.01 Crores is considered in Stage 3 of the Hypothecated Portfolio, as an additional provision, to factor future contingency and change in market conditions basis the risk perceived and as a matter of prudence, taking the overall ECL to Rs. 130.28 Crores as of 31 March 2024.

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

6	Investments	As at March 31, 2024	As at March 31, 2023
	Investments measured at fair value through profit or loss		
	Mutual funds	-	58.51
	Mutual Funds held as security in respect of borrowings	-	-
	Security receipts		
	ARCIL - trust	15.71	30.80
	Less: Impairment loss allowance	5.10	5.10
	Investments carried at Fair value through Profit or loss	**10.61**	**84.21**
	Investment in subsidiary at cost (unquoted)		
	249,999 equity shares of RS 10 in Foundation for Advancement of Micro Enterprises (FAME)	0.25	0.25
	Provision on investments **	0.25	-
	Investments measured at amortised cost	-	**0.25**
	Gross investments	**15.71**	**89.56**
	Based on region:		
	Investments outside India	-	-
	Investments in India	15.71	89.56
		15.71	**89.56**
	Less: Allowance for impairment loss	5.10	5.10
		10.61	**84.46**

** During the financial year 2019-20 , the Company had subscribed 2,49,999 equity shares of Rs. 10/- each of Foundation for Advancement of Micro Enterprises (FAME) (a Section 8 - Company as per Companies Act 2013)}. Foundation for Advancement of Micro Enterprises (FAME) became a subsidiary of the Company w.e.f. 04/04/2019 by virtue of holding 2,49,999 equity shares equivalent to 99.99% share capital in Foundation for Advancement of Micro Enterprises (FAME) . Foundation for Advancement of Micro Enterprises (FAME) is prohibited to distribute any dividend / economic benefits to its members; hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of Foundation for Advancement of Micro Enterprises (FAME). Accordingly, the above investment does not meet the definition of control under Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements and the aforesaid investment value of Rs. 0.25 Cr has been impaired to the Statement of profit and loss for the year ended March 31, 2024.

,	Other financial assets (at amortised cost)	As at March 31, 2024	As at March 31, 2023
	Receivable from insurance company	3.87	1.74
	Security deposits	3.06	2.66
	Other receivables	23.73	18.41
		30.66	**22.81**

8	Current tax assets (net)	As at March 31, 2024	As at March 31, 2023
	Advance income tax (net of provision)	11.73	18.08
		11.73	**18.08**

9	Deferred tax assets (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred tax assets (net)	43.94	29.34
		43.94	**29.34**

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Aye Finance Private Limited (CIN: U65921DL1993PTC283660)
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rs. crores unless otherwise stated)

10A Property, plant and equipment

Particulars	Gross carrying					Accumulated					Net carrying amount
	As at April 01, 2023	Additions	Disposals	Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation for the year	Disposals	Adjustments	As at March 31, 2024	As at March 31, 2024
Furniture and fixtures	2.19	0.03	0.01	0.26	2.47	1.55	0.16	0.00	0.26	1.97	0.50
Office equipments	2.87	0.62	0.58	0.25	3.16	1.80	0.54	0.54	0.25	2.05	1.11
Electrical installations and equipments	0.96	0.17	-	0.06	1.19	0.50	0.13	-	0.06	0.69	0.50
Computers	11.15	7.07	0.82	0.75	18.15	7.99	3.44	0.79	0.75	11.39	6.76
Leasehold improvements	0.98	-	-	0.02	1.00	0.84	0.05	-	0.02	0.91	0.09
	18.15	**7.89**	**1.41**	**1.34**	**25.97**	**12.68**	**4.32**	**1.33**	**1.34**	**17.01**	**8.96**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2022	Additions	Disposals	Adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposals	Adjustments	As at March 31, 2023	As at March 31, 2023
Furniture and fixtures	2.19	-	-	-	2.19	1.33	0.22	-	-	1.55	0.64
Office equipments	2.31	0.62	0.06	-	2.87	1.35	0.51	0.06	-	1.80	1.06
Electrical installations and equipments	0.91	0.05	-	-	0.96	0.35	0.15	-	-	0.50	0.46
Computers	8.60	3.02	0.47	-	11.15	6.45	1.98	0.44	-	7.99	3.16
Leasehold improvements	0.98	-	-	-	0.98	0.73	0.11	-	-	0.84	0.14
	14.99	**3.69**	**0.53**	**-**	**18.15**	**10.21**	**2.97**	**0.50**	**-**	**12.68**	**5.46**

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

10B Right of use assets (ROU)

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2023	Additions	Disposals	Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation for the year	Disposals	Adjustments	As at March 31, 2024	As at March 31, 2024
Right of use assets	28.46	11.20	8.78	-	30.88	7.31	9.46	7.32	-	9.45	21.43
	28.46	**11.20**	**8.78**	**-**	**30.88**	**7.31**	**9.46**	**7.32**	**-**	**9.45**	**21.43**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2022	Additions	Disposals	Adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposals	Adjustments	As at March 31, 2023	As at March 31, 2023
Right of use assets	26.02	8.34	5.90	-	28.46	5.45	7.32	5.46	-	7.31	21.15
	26.02	**8.34**	**5.90**	**-**	**28.46**	**5.45**	**7.32**	**5.46**	**-**	**7.31**	**21.15**

10C Intangible assets

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2023	Additions	Disposals	Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation for the year	Disposals	Adjustments	As at March 31, 2024	As at March 31, 2024
Computer software	5.05	1.23	0.14	0.14	6.28	4.49	0.77	0.13	(0.17)	4.96	1.32
	5.05	**1.23**	**0.14**	**0.14**	**6.28**	**4.49**	**0.77**	**0.13**	**(0.17)**	**4.96**	**1.32**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2022	Additions	Disposals	Adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposals	Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	4.70	0.35	-	-	5.05	3.33	1.16	-	-	4.49	0.55
	4.70	**0.35**	**-**	**-**	**5.05**	**3.33**	**1.16**	**-**	**-**	**4.49**	**0.55**

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

11	Other non-financial assets	As at March 31, 2024	As at March 31, 2023
	TDS recoverable	0.01	0.01
	Goods and service tax receivable	-	0.78
	Prepaid expenses	3.31	2.52
	Employees advances	0.40	0.39
	Others	4.35	1.43
		8.07	**5.13**

12	Derivative financial instruments	As at March 31, 2024	As at March 31, 2023
	Carried at fair value [Assets / (Liability)]		
	Cross currency swap rate contract not designated in hedge accounting relationship	(3.15)	3.07
		(3.15)	**3.07**

13	Debt securities (at amortised cost)	As at March 31, 2024	As at March 31, 2023
	Redeemable non-convertible debentures		
	Secured	912.64	771.92
	Unsecured	109.70	127.93
		1,022.34	**899.85**
	Based on region:		
	Debt securities in India	1,022.34	899.85
	Debt securities in outside India	-	-
		1,022.34	**899.85**

Note: Refer Note 13(i) below for the repayment details along with rate of interest and security details.

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

13(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings

Particulars				As at March 31, 2024		As at March 31. 2023	
ISIN	Issuance Date	Redemption Date	Interest Rate	Secured	Unsecured	Secured	Unsecured
INE501X08065	29-Mar-22	30-Apr-23	11.25%	-	-	-	10.00
INE501X07190	22-May-20	22-May-23	13.50%	-	-	1.38	-
INE501X07042	29-Aug-17	29-Aug-23	13.47% and 13.55%	-	-	44.00	-
INE501X07240	02-Sep-21	07-Sep-23	9.68%	-	-	50.00	-
INE501X07273	25-Mar-22	25-Sep-23	9.50%	-	-	15.00	-
INE501X07141	25-Oct-19	25-Oct-23	10.78%	-	-	93.75	-
INE501X07307	05-Sep-22	05-Mar-24	9.75%	-	-	50.00	-
INE501X08032	06-Mar-19	06-Mar-24	12.14%	-	-	-	20.00
INE501X07265	24-Mar-22	24-Mar-24	10.70%	-	-	12.50	-
INE501X07281	25-Mar-22	25-Mar-24	9.90%	-	-	15.00	-
INE501X07323	28-Sep-22	27-Mar-24	10.50%	-	-	25.00	-
INE501X07372	24-Jan-23	25-Apr-24	10.50%	10.00	-	50.00	-
INE501X07232	08-Dec-20	13-May-24	10.70%	0.01	-	0.01	-
INE501X07414	05-Dec-22	05-Jun-24	10.00%	100.00	-	100.00	-
INE501X07422	11-Apr-23	25-Jul-24	10.59%	12.00	-	-	-
INE501X07166	08-Nov-19	08-Nov-24	12.50%	0.01	-	-	-
INE501X07463	08-Aug-23	08-Dec-24	10.60%	22.50	-	-	-
INE501X08073	13-Dec-22	31-Dec-24	12.70%	-	11.70	-	23.40
INE501X07448	26-Jul-23	26-Jan-25	10.60%	16.66	-	-	-
INE501X07455	02-Aug-23	02-Feb-25	10.50%	16.66	-	-	-
INE501X07471	25-Aug-23	25-Feb-25	10.50%	23.33	-	-	-
INE501X07489	04-Sep-23	04-Mar-25	8.60%	40.00	-	-	-
INE501X07497	14-Sep-23	14-Mar-25	9.00%	26.67	-	-	-
INE501X08057	28-Feb-22	15-Mar-25	11.35%	-	37.50	-	37.50
INE501X08057	28-Feb-22	15-Mar-25	11.35%	-	37.50	-	37.50
INE501X07406	24-Mar-23	31-Mar-25	10.70%	16.90	-	33.80	-
INE501X07430	18-May-23	30-Apr-25	10.70%	27.90	-	-	-
INE501X07380	08-Feb-23	08-May-25	11.25%	8.33	-	15.00	-
INE501X07257	21-Dec-21	13-May-25	10.20%	0.01	-	22.22	-
INE501X07398	15-Feb-23	15-May-25	11.25%	15.00	-	27.00	-
INE501X07125	26-Jun-19	26-Jun-25	13.00%	26.25	-	26.25	-
INE501X07364	06-Dec-22	31-Jul-25	12.55%	10.00	-	15.00	-
INE501X07547	23-Feb-24	23-Aug-25	9.50%	50.00	-	-	-
INE501X07505	25-Sep-23	31-Aug-25	10.75%	37.50	-	-	-
INE501X07513	27-Sep-23	27-Sep-25	11.00%	18.75	-	-	-
INE501X07562	22-Mar-24	07-Oct-25	9.50%	50.00	-	-	-
INE501X08081	24-Jan-24	24-Jan-26	11.60%	-	22.92	-	-
INE501X07554	06-Mar-24	06-Mar-26	10.75%	90.00	-	-	-
INE501X07539	24-Nov-23	15-Sep-26	11.15%	50.00	-	-	-
INE501X07299	29-Jul-22	28-Jul-27	11.16%	31.00	-	31.00	-
INE501X07315	20-Sep-22	20-Sep-27	11.20%	26.00	-	26.00	-
INE501X07349	15-Nov-22	15-Nov-27	11.20%	31.00	-	31.00	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	32.73	-	32.73	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	32.73	-	32.73	-
INE501X07521	29-Sep-23	27-Sep-29	11.60%	76.50	-	-	-
				898.44	**109.62**	**749.36**	**128.40**
Accrued Interest				23.90	0.42	28.56	0.38
EIR Impact				(9.70)	(0.34)	(6.00)	(0.85)
				912.64	**109.70**	**771.92**	**127.93**

Note : 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.

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

14	Borrowings (other than debt securities at amortised cost)	As at March 31, 2024	As at March 31, 2023
	Borrowings measured at amortised cost:		
	Secured		
	Term loans		
	From banks	680.33	90.88
	From other financial institutions	585.52	369.26
	External commercial borrowings	363.74	266.18
	Unsecured		
	Term loans		
	From other financial institutions	41.21	64.95
	Liabilities in respect of securitised transactions		
	From banks	396.47	292.59
	From non-banking financial companies	404.38	269.45
	Loans repayable on demand*		
	From banks	5.00	43.00
	From other financial institutions	-	-
		2,476.65	**1,396.31**
	Borrowings in India	2,112.91	1,130.13
	Borrowings outside India	363.74	266.18
		2,476.65	**1,396.31**

* Secured by hypothecation of specific loan receivables (current and future) / cash and cash equivalents of the Company.
Refer Note 14(i) below, for the repayment details along with rate of interest and security details.

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

14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

a) Terms of principal repayment of borrowings (other than debt securities & securitisation) as on 31 March 2024

Original Maturity of loan and ROI	Due within 1 Years		Due between 1 to 2 Years		Due Between 2 to 3 Years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet									
9.51% - 10.00%	1	5.00	-	-	-	-	-	-	5.00
10.51% - 11.00%	1	41.69	-	-	-	-	-	-	41.69
12.51% - 13.00%	-	-	1	0.13	1	108.26	-	-	108.39
13.01% - 13.50%	-	-	-	-	1	27.07	1	95.88	122.95
Monthly									
9.01% - 9.50%	10	4.30	13	8.13	-	-	-	-	12.43
9.51% - 10.00%	12	14.29	106	197.26	-	-	-	-	211.55
10.01% - 10.50%	20	41.46	80	141.25	27	27.00	36	25.00	234.71
10.51% - 11.00%	9	6.82	84	159.17	59	62.76	-	-	228.75
11.01% - 11.50%	40	53.46	180	228.45	36	10.00	-	-	291.91
11.51% - 12.00%	13	18.15	92	97.18	49	67.78	-	-	183.11
12.01% - 12.50%	24	25.64	-	-		-	-	-	25.64
Quarterly									
10.01% - 10.50%	-	-	-	-	12	50.00	-	-	50.00
10.51% - 11.00%	4	8.33	6	15.00	-	-	-	-	23.33
11.01% - 11.50%	1	2.08	6	17.14	-	-			19.22
12.01% - 12.50%	-	-	18	27.71	-	-			27.71
Yearly									
12.51% - 13.00%	-	-	-	-	3	83.37	-	-	83.37
Accrued interest									12.64
EIR impact									(6.59)
	135	**221.22**	**586**	**891.42**	**188**	**436.24**	**37**	**120.88**	**1,675.80**

b) Terms of principal repayment of borrowings (securitisation) as on 31 March 2024

Original Maturity of loan and ROI	Due within 1 Years		Due between 1 to 2 Years		Due Between 2 to 3 Years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Monthly									
8.51% - 9.00%	5	0.65	-	-	-	-	-	-	0.65
9.51% - 10.00%	7	2.74	36	53.25	-	-	-	-	55.99
10.01% - 10.50%	94	212.26	173	528.31	-	-	-	-	740.57
10.51% - 11.00%	3	2.88	-	-	-	-	-	-	2.88
Accrued Interest									2.49
EIR Impact									(1.73)
	109	**218.53**	**209**	**581.56**	**-**	**-**	**-**	**-**	**800.85**

(Continued)

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

(Continued)

14(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

a) Terms of Principal Repayment of Borrowings (other than debt securities & securitisation) as on 31 March 2023

Original Maturity of loan and ROI	Due within 1 Years		Due between 1 to 2 Years		Due Between 2 to 3 Years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet									
9.01% - 9.50%	1	15.00	-	-	-	-	-	-	15.00
10.01% - 10.50%	2	23.00	-	-	-	-	-	-	23.00
10.51% - 11.00%	-	-	1	41.11	-	-	-	-	41.11
11.01% - 11.50%	2	134.41	-	-	-	-	-	-	134.41
12.01% - 12.50%	4	40.00	-	-	-	-	-	-	40.00
Monthly									
9.01% - 9.50%	24	17.91	21	8.75	-	-	-	-	26.66
9.51% - 10.00%	-	-	44	48.96	-	-	-	-	48.96
10.51% - 11.00%	29	29.88	37	31.63	-	-	-	-	61.51
11.01% - 11.50%	-	-	103	81.87	27	31.25	-	-	113.12
11.51% - 12.00%	23	11.82	76	86.36	64	68.24	-	-	166.42
12.01% - 12.50%	12	6.00	-	-	-	-	-	-	6.00
Quarterly									
10.51% - 11.00%	8	16.67	-	-	-	-	-	-	16.67
11.01% - 11.50%	-	-	5	10.42	-	-	-	-	10.42
11.51% - 12.00%	-	-	7	17.50	11	22.92	-	-	40.42
Half Yearly									
12.51% - 13.00%	-	-	-	-	3	82.22	-	-	82.22
Accrued Interest									10.47
EIR Impact									(2.12)
Total	**105**	**294.69**	**294**	**326.60**	**105**	**204.63**	**-**	**-**	**834.27**

b) Terms of Principal Repayment of Borrowings (securitisation) as on 31 March 2023

Original Maturity of loan and ROI	Due within 1 Years		Due between 1 to 2 Years		Due Between 2 to 3 Years		Due between 3 to 4 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Monthly									
9.01% - 9.50%	12	5.64	6	1.09	-	-	-	-	6.73
9.51% - 10.00%	44	95.30	13	12.03	-	-	-	-	107.34
10.01% - 10.50%	118	318.66	34	85.28	-	-	-	-	403.94
10.51%-11.00%	12	27.83	4	7.40	-	-	-	-	35.23
13.51% - 14.00%	14	8.79	-	-	-	-	-	-	8.79
Accrued Interest									1.63
EIR Impact									(1.62)
Total	**200**	**456.23**	**57**	**105.80**	**-**	**-**	**-**	**-**	**562.04**

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

15	Lease liabilities	As at March 31, 2024	As at March 31, 2023
	Lease liabilities	23.63	24.29
		23.63	**24.29**

16	Other financial liabilities	As at March 31, 2024	As at March 31, 2023
	At amortised cost		
	Employee benefit payable	5.42	2.90
	Expenses payable	19.02	12.07
	Payables on purchase of property, plant and equipment	0.94	0.61
	Other financial liabilities	30.04	0.49
		55.42	**16.07**

17	Provisions	As at March 31, 2024	As at March 31, 2023
	Provision for employee benefits		
	Provision for gratuity	9.25	6.78
	Provision for compensated absences	3.98	3.42
	Provision for bonus	17.04	12.46
	Other provisions		
	Provision for dividend on CCPS	0.02	0.01
	Provision for rent straight lining	-	-
		30.29	**22.67**

18	Other non-financial liabilities	As at March 31, 2024	As at March 31, 2023
	Statutory dues payable	11.85	6.30
	EMI and interest received in advance from customers (including Pre EMI)	10.47	6.02
	Goods and service tax payable	2.81	-
	Others	0.33	-
		25.46	**12.32**

19	Equity share capital	As at March 31, 2024	As at March 31, 2023
	Authorized		
	67,30,000 (March 31, 2023: 55,00,000 Shares) Equity shares of Rs. 10 each with voting rights	6.73	5.50
	2,91,00,000 (March 31, 2023: 2,91,00,000 Shares) Compulsorily Convertible Cumulative Preference shares (CCPS) of Rs. 10 each	29.10	29.10
	47,40,000 (March 31, 2023: NIL Shares) Compulsorily Convertible Cumulative Preference shares (CCPS) of Rs. 20 each	9.48	-
		45.31	**34.60**
	Issued, subscribed and paid-up		
	48,30,520 (March 31, 2023: 48,30,500 Shares) Equity shares of Rs. 10 each with voting rights	4.83	4.83
	Less: amount recoverable from ESOP Trust (face value of 5,60,294 shares of Rs. 10 each held by trust) (March 31, 2023: 5,60,294)	(0.56)	(0.56)
	26,182,448 (March 31, 2023: 2,61,82,448 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each	26.18	26.18
	47,39,244 (March 31, 2023: Nil Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 20 each	9.48	-
		39.93	**30.45**

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Equity share capital
(Continued)

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

19 **Equity share capital**
(Continued)

Details of shares held by promoters **
As at March 31, 2024

S. No.	Promoter name	No. of shares	% of total shares	% of total shares
Nil	Nil	Nil	Nil	Nil

As at March 31, 2023

S. No.	Promoter name	No. of shares	% of total shares	% of total shares
Nil	Nil	Nil	Nil	Nil

** Disclosure is given as per annual return filed under section 92 of the Companies Act, 2013 for the year ending March 31 ,2023.

19.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening	Fresh issue	Closing balance
As at March 31, 2024			
Equity shares with voting rights			
No. of shares	48,30,500	20	48,30,520
Amount	4.83	0.00	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs 10 each			
No. of shares	2,61,82,448	-	2,61,82,448
Amount	26.18	-	26.18
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 20 each			
No. of shares	-	47,39,244.00	47,39,244
Amount	-	9.48	9.48
As at March 31, 2023			
Equity shares with voting rights			
No. of shares	48,30,500	-	48,30,500
Amount	4.83	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs 10 each			
No. of shares	2,61,82,448	-	2,61,82,448
Amount	26.18	-	26.18

19.2 Terms, rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

19.3 As on March 31, 2024, the Company has 2,068,764 0.01% CCPS and 200 equity shares of Rs. 10 each fully paid up at premium of Rs. 19.00 per share. These shares have been allotted between Elevation Capital V Limited and Accion Africa - Asia Investment Company in equal proportion. (Series A)

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Equity share capital
(Continued)

19 Equity share capital
(Continued)

19.4 As on March 31, 2024, the Company has 2,935,726 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 per CCPS. These shares have been allotted between Elevation Capital V Limited and Accion Africa - Asia Investment Company in equal proportion. (Series A1)

19.5 As on March 31, 2024, the Company has 6,556,360 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 96.76 per share. These shares have been allotted between Elevation Capital V Limited and Accion Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP. (Series B)

19.6 As on March 31, 2024, the Company has 5,736,709 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 246.24 per share. These shares have been allotted between Elevation Capital V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP . (Series C)

19.7 As on March 31, 2024, the Company has 54,75,089 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 416.70 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, Alpha Wave India I LP (formerly known as Falcon Edge India I LP) and MAJ Invest Financial Inclusion Fund II K/S. (Series D)

19.8 As on March 31, 2024, the Company has 34,09,800 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 605.87 per CCPS. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG International LLC, Alpha Wave India I LP (formerly known as Falcon Edge India I LP), A91 Emerging Fund I LLP and MAJ Invest Financial Inclusion Fund II K/S. (Series E)

19.9 As on March 31, 2024, the Company has 47,39,244 0.01% CCPS of Rs. 20 each and 20 equity shares of Rs. 10 each fully paid up at premium of Rs. 634.11 per share. These shares have been allotted between A91 Emerging Fund I LLP, British International Investment plc and Waterfield Alternative Investments Fund I (Series F)

19.10 The Series A, A1, B, C, D, E and F CCPS shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series F Shareholders Agreement dated December 6, 2023 executed by the Company with Elevation Capital V Limited, A91 Emerging Fund I LLP, LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, CapitalG International LLC, Alpha Wave India I LP, MAJ Invest Financial Inclusion Fund II K/S, British International Investment plc and Waterfield Alternative Investments Fund I.

Further the holders of Series A, A1, B, C, D, E and F CCPS may convert the CCPS in whole or part into equity shares at any time before 19 (Nineteen) years from the date of issuance of the same.

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Equity share capital
(Continued)

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

19 Equity share capital
(Continued)

19.11 Details of equity shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	%	Number of shares held	%
Equity shares with voting rights				
Sanjay Sharma	9,79,750	20.28%	9,79,750	20.28%
Shankh Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Shvet Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Vikram Jetley	5,78,000	11.97%	6,31,000	13.06%
Aye Finance Employee Welfare Trust	5,60,294	11.60%	5,60,294	11.60%
Namrata Sharma	2,61,965	5.42%	2,61,965	5.42%
0.01% Compulsorily Convertible Cumulative Preference shares				
Elevation Capital V Limited	61,59,852	19.92%	61,59,852	23.53%
LGT Capital Invest Mauritius PCC with Cell E/VP	53,90,925	17.43%	53,90,925	20.59%
CapitalG LP	39,37,237	12.73%	39,37,237	15.04%
MAJ Invest Financial Inclusion Fund II K/S	22,04,985	7.13%	22,04,985	8.42%
Alpha Wave India I LP (Formerly kown as Falcon Edge India I LP)	41,31,987	13.36%	41,31,987	15.78%
A91 Emerging Fund I LLP	35,82,764	11.59%	32,00,565	12.22%
British International Investment plc	38,21,977	12.36%	-	-

19.12 Number of shares reserved for share options

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares of Rs. 10 fully paid up		
Number of shares reserved for ESOPs	12,79,933	8,50,968

19.13 Number of shares reserved for warrants

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares of Rs. 1 fully paid up		
Number of shares reserved for warrants	9,49,376	-

19.14 Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares

The Company have not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

19.15 Shares bought back

Company have not bought back any of its securities during the five year period immediately preceding the reporting date.

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20	Other equity	As at March 31, 2024	As at March 31, 2023
	Securities premium		
	Opening balance	659.34	659.34
	Add: Premium on shares issued during the period	292.61	-
	Closing balance	**951.95**	**659.34**
	Amount received from issue of share warrants	**0.09**	**-**
	Share option outstanding account		
	Opening balance	17.21	11.50
	Add: Deferred stock compensation expense	4.70	5.71
	Less: Utilisation of deferred stock compensation expense	-	-
	Closing balance	**21.91**	**17.21**
	Money received against share warrants		
	Statutory reserve		
	Opening balance	26.13	15.13
	Add: Amount transferred from surplus of profit and loss	32.23	11.00
	Closing balance	**58.36**	**26.13**
	Retained earnings - other than remeasurement of post employment benefit obligation		
	Opening balance	31.86	(10.93)
	Add: Profit for the year	161.13	53.79
	Less: Transfer to statutory Reserve	(32.23)	(11.00)
	Closing balance	**160.76**	**31.86**
	Retained earnings - remeasurement of post employment benefit obligation		
	Opening balance	3.51	0.52
	Add: Comprehensive income for the year	(0.41)	2.99
	Closing balance	**3.10**	**3.51**
	Total	**1,196.18**	**738.05**

Nature and purpose of reserves

Statutory reserves
The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium reserves
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013, and during the year such expenses amounting to the tune of Rs. 7.84 crores have been utilised.

Employee stock outstanding account
In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The Company has approved stock option scheme on September 11, 2018 as amended from time to time. The Administrator (i.e. Nomination and Remuneration Committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP scheme, each option consist of one equity share. Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to the conditions prescribed in the ESOP scheme as amended from time to time.

Retained earnings - other than remeasurement of post employment benefit obligation
Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Retained earnings - remeasurement of post employment benefit obligation
Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss.

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

21	Interest income	For the year ended March 31, 2024	For the year ended March 31, 2023
	On Financial Assets measured at amortised cost		
	Interest on loans to customers	932.23	555.73
	Interest on deposits with banks	16.46	10.76
		948.69	**566.49**

22	Net gain/(loss) on derecognition of financial instruments under amortised cost category	For the year ended March 31, 2024	For the year ended March 31, 2023
	Net gain on derecognition of financial instruments under amortised cost category	18.95	12.51
		18.95	**12.51**

23	Fees and commission income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Servicing fee	3.59	0.57
	Application fee	13.24	9.89
	Delay payment charges, registration charges, cheque dishonour charges etc.	31.03	15.02
		47.86	**25.48**

24	Net gain on fair value changes	For the year ended March 31, 2024	For the year ended March 31, 2023
	Investments		
	Gain on sale of mutual funds	21.01	11.99
	Gain on currency fluctuation	3.71	6.96
		24.72	**18.95**
	Realised gain	26.99	11.65
	Unrealised (loss) / gain	(2.27)	7.30
		24.72	**18.95**

25	Other income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Miscellaneous income	31.26	19.91
	Profit on early termination of lease	0.26	-
	Profit on sale of assets	0.01	-
		31.53	**19.91**

26	Finance cost	For the year ended March 31, 2024	For the year ended March 31, 2023
	Interest on:		
	Debt securities	113.24	102.46
	Borrowings (other than debt securities)	193.24	81.59
	Lease liabilities	2.21	3.16
	Delayed payment of statutory dues	-	0.01
	Other finance cost	17.84	10.74
		326.53	**197.96**

* Borrowing cost includes interest expense calculated using the EIR method.

27	Net loss on fair value changes	For the year ended March 31, 2024	For the year ended March 31, 2023
	Loss on fair value of cross currency swap	6.18	6.57
		6.18	**6.57**

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28	Impairment on financial instruments	For the year ended March 31, 2024	For the year ended March 31, 2023
	Measured at amortised cost		
	Impairment on financial instruments at amortised cost	76.80	20.85
	Amounts written off (net of recovery)	52.92	50.00
	Loss on settlement	1.68	2.50
		131.40	**73.35**

29	Employee benefits expense	For the year ended March 31, 2024	For the year ended March 31, 2023
	Salaries and wages	225.20	174.35
	Contribution to provident and other funds	17.61	15.27
	Expense on employee stock option (ESOP) scheme [Refer note 39]	4.70	5.70
	Staff welfare expenses	24.99	14.49
	Gratuity expenses	2.71	2.39
		275.21	**212.20**

	Other expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rent	-	0.08
	Rates and taxes	2.56	1.22
	Communication costs	6.31	4.85
	Printing and stationery	2.39	1.92
	Professional services	8.43	9.86
	Credit charges	4.40	-
	Outsourcing charges	0.92	-
	Legal and technical charges	1.64	-
	Directors fees	0.35	0.25
	Payment to auditors [Refer Note below]	1.05	1.27
	Corporate social responsibility (CSR)	0.94	0.53
	Membership and subscription fees	12.11	9.87
	Travel and conveyance	29.38	24.09
	Tour and travelling	6.82	5.19
	Electricity expenses	1.49	1.05
	Office expenses	6.10	5.34
	CGTMSE premium charge	-	2.25
	Bank charges	2.30	1.17
	Seminars, conferences and events	0.32	-
	Collection charges	2.17	-
	Loss on sale of property, plant and equipment's	0.06	-
	Provision on investments	0.25	-
	Miscellaneous expenses	0.04	1.47
		90.03	**70.41**

Note : Payment to auditors **		
Statutory audit	0.47	0.68
Limited review	0.30	0.41
Tax audit	0.05	0.07
Other certifications	0.18	0.06
Out of Pocket Expense	0.05	0.05
	1.05	**1.27**

** Current year's amount is inclusive of Rs. 0.46 crores paid to the erstwhile Statutory Auditors i.e. SR Batliboi & Associates LLP (it includes Tax Audit, Limited Review, Certifiations & Out of Pocket Expenses)

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31 Disclosure pertaining to corporate social responsibility expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the Company during the year	0.18	0.50
Amount spent during the year ending on March 31, 2024		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above**	0.94	0.53
(c) Shortfall/(excess) at the end of the year	Nil	Nil
(d) Total of Previous year shortfall	Nil	Nil
(e) Reason for shortfall	NA	NA
(f) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision.	NA	NA

** For the purpose of Dairy program, Footwear Program, Sports Program, Kirana program, Women Empowerment etc.
Note: 1 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (refer note no 36).
Note: 2 The Company has undertaken CSR Activities as per schedule VII of the Companies Act, 2013.

32 Earnings per share

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) attributable to equity holders	161.13	53.79
Less: Preference dividend	-	-
Net Profit / (Loss) attributable to equity holders	161.13	53.79
Weighted average number of equity shares outstanding during the year - for Basic EPS	3,23,27,246	3,10,12,948
Effect of dilutive potential equity share equivalent	3,62,599	3,91,080
Weighted average number of equity shares outstanding during the year - for Dilutive EPS	3,26,89,845	3,14,04,028
Basic earnings per share (Rs.)	49.84	17.34
Diluted earnings per share (Rs.)	49.29	17.13
Nominal value per share (Rs.)	10.00	10.00

33 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments related to loans sanctioned but not disbursed	38.20	16.66

(b) During the previous year, the Company has received a demand for income tax under Income Tax Act, 1961 for rupees 2.44 crores for the assessment year 2017-18. The order is disputed by the Company and the Company had filed an appeal before Commissioner of Income Tax Appeals and has deposited rupees 0.48 crores as demand against protest. Based on the opinion received from the Company's consultant, the Company believes that the likelihood of materialising the liability may arise.

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34 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.
The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. granting loans, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, the Company is operating in India which is considered as a single geographical segment.

35 Employee benefits

35.1 Defined contribution plans

The Company makes Provident Fund to defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised rupees 17.61 crores (March 31, 2023: rupees 15.27 crores) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Other long-term benefits

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation. The Company recognised rupees 4.68 crores (March 31, 2023: rupees 3.14 crores) for compensated absences in the statement of profit and loss.

35.3 Defined benefit plans

The Company's gratuity scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service or part thereof in excess of six months in terms of provisions of Gratuity Act, 1972. Vesting occurs upon completion of five years of service.

The present value of defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.
The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet:

(a) Amount recognised in the statement of profit and loss and other comprehensive income:

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	2.21	1.72
Interest expense	0.50	0.67
Amount recognised in the statement of profit and loss	**2.71**	**2.39**
Remeasurement of defined benefit liability:		
Actuarial (gain) / loss from changes in demographic assumptions	-	(3.32)
Actuarial (gain) / loss from changes in financial assumptions	0.06	(0.21)
Actuarial (gain) / loss from experience adjustments	0.50	(0.46)
Amount recognised in other comprehensive income	**0.56**	**(3.99)**
	3.27	**(1.60)**

Defined benefit plans
(Continued)

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

35 Employee benefits

35.3 Defined benefit plans
(Continued)

(b) Reconciliation of fair value plan assets and defined benefit obligation

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Defined benefit obligation	9.25	6.78
Net defined (asset) / liability recognised in the balance sheet	**9.25**	**6.78**

(c) Actual contributions and benefit payments during the year

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Actual benefit payments	(0.80)	(0.86)

(d) Changes in the present value of the defined benefit obligation are as follows:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Defined benefit obligation at beginning of the year	6.78	9.24
Current service cost	2.21	1.72
Interest expense	0.50	0.67
Remeasurement (gains) / losses		
Actuarial (gain) / loss from changes in financial assumptions	0.06	(0.21)
Actuarial (gain) / loss from experience adjustments	0.50	(0.46)
Actuarial (gain) / loss from changes in demographic assumptions	-	(3.32)
Benefits paid	(0.80)	(0.86)
Defined benefit obligation at end of the year	**9.25**	**6.78**

(e) Changes in the fair value of plan assets are as follows:

Fair value of plan assets at beginning of the year	-	-
Fair value of plan assets at end of the year	-	-

35.4 The principal assumptions used in determining obligations for the Company's plan are shown below:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Discount rate (in %)	7.25%	7.39%
Future salary increase (in %)	10.00%	10.00%
Retirement age	58.00	58.00
Demographic assumptions		
Attrition		
Upton 30 years	33.10%	33.10%
31-44 years	28.40%	28.40%
Above 44 years	6.20%	6.20%
Mortality	**IALM (2012-14)**	**IALM (2012-14)**

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Defined benefit plans
(Continued)

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35 Employee benefits

35.3 Defined benefit plans
(Continued)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation at the end of the period	9.25	6.78
Effect of +50 basis points in rate of discounting	(0.22)	(0.16)
Effect of -50 basis points in rate of discounting	0.23	0.17
Present value of obligation at the end of the period	9.25	6.78
Effect of +50 basis points in rate of salary increase	0.20	0.16
Effect of -50 basis points in rate of salary increase	(0.20)	(0.15)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/ (loss) adjustments on plan liabilities	Estimated gain/ (loss) adjustments on plan assets
2023-24	9.25	-	0.50	-
2022-23	6.78	-	(0.46)	-
2021-22	9.24	-	(1.15)	-
2020-21	7.45	-	0.34	-
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-

35.5 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short-term / long term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 0.2 crores).

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

36 Related party disclosures

Disclosures in accordance with the requirements of Ind AS 24 on Related Party Disclosures, as identified and certified by the management, are set out as below:

36.1 Details of related parties:

Description of relationship	Names of related parties
Key Managerial Personnel (KMP)	Mr. Sanjay Sharma - Managing Director
	Mr. Mayank Shyam Thatte - Chief Financial Officer (up to May 24, 2023)
	Mr. Krishan Gopal - Chief Financial Officer (w.e.f. July 07, 2023)
	Ms. Tripti Pandey - Company Secretary, Compliance Officer & CCO
Independent directors	Mr. Navin Kumar Maini (up to September 02, 2023)
	Mr. Vinay Baijal (up to September 02, 2023)
	Ms. Arpita Pal Agrawal (up to September 02, 2023)
	Mr. Govinda Rajulu Chintala (w.e.f. September 01, 2023) (Appointed as Chairperson of Board w.e.f. January 5, 2024)
	Mr. Sanjaya Gupta (w.e.f. September 01, 2023)
	Ms. Kanika Tandon Bhal (w.e.f. September 01, 2023)
Non-Executive, Non-Independent Directors	Mr. Vivek Kumar Mathur
	Mr. Navroz Darius Udwadia
	Mr. Kartik Srivatsa
	Mr. Kaushik Anand Kalyana Krishnan
Entities over which KMP's have significant influence	Aye Finance Employee Welfare Trust
	Shankh Corporation LLP
	Shvet Corporation LLP
Entities exercising significant influence	Elevation Capital V Limited (formerly known as SAIF Partners India V Ltd.)
	Alpha Wave India I LP (formerly known as Falcon Edge India I LP)
	A91 Emerging Fund I LLP
	LGT Capital Invest Mauritius PCC with Cell E/VP
	CapitalG LP
	CapitalG International LLC
	British International Investment PLC w.e.f. January 05, 2024
Wholly - owned subsidiary company	Foundation for Advancement of Micro Enterprises (Section 8 Company)
Relatives of KMP	Ms. Namrata Sharma
	Mr. Shashwat Sharma

36.2 Details of related party transactions during the year ended March 31, 2024 and outstanding balance as at March 31, 2024:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Managerial remuneration		
Short term employee benefits (Director)	3.69	3.00
Short term employee benefits (Relative of Director)	0.12	0.05
Short term employee benefits (KMP other than directors)	1.52	3.50
Post employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
(i) Excluding provision for gratuity and compensated absences as the same are actuarially determined for the Company as a whole and thus not separately		
(ii) The above detail doesn't include employees stock options plan cost charged in profit and loss account		
(b) Director's sitting fee	0.35	0.25
(c) Grant of ESOPs (KMP)	0.34	0.01

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

36.2 Details of related party transactions during the year ended March 31, 2024 and outstanding balance as at March 31, 2024: (Continued)

(d) Corporate social responsibility

Particulars	As at March 31, 2024	As at March 31, 2023
Foundation for Advancement of Micro Enterprises (FAME)	0.94	0.50
	0.94	**0.50**

(e) Balance outstanding at the end of the year

(e) (i) Long term loans and advances

Particulars	As at March 31, 2024	As at March 31, 2023
Aye Finance Employee Welfare Trust	0.13	0.13
	0.13	**0.13**

(e) (ii) Investment in subsidiary company

Particulars	As at March 31, 2024	As at March 31, 2023
Foundation for Advancement of Micro Enterprises (FAME)	-	0.25
	-	0.25

(e) (iii) Equity shares outstanding

Particulars	As at March 31, 2024	As at March 31, 2023
Directors		
Mr. Sanjay Sharma	0.98	0.98
Relative of Directors		
Ms. Namrata Sharma	0.26	0.26
Entities over which KMP's have significant influence		
Shvet Corporation LLP	0.85	0.85
Shankh Corporation LLP	0.85	0.85
Entities exercising significant influence over the Company		
Alpha Wave India I LP (formerly known as Falcon Edge India I LP)	0.17	0.17
Elevation Capital V Limited	0.05	0.05
A91 Emerging Fund I LLP	0.00	0.00
LGT Capital Invest Mauritius PCC with Cell E/VP	0.03	0.03
CapitalG LP	0.00	0.00
British International Investment PLC	0.00	-
Aye Finance Employee Welfare Trust	0.56	0.56
	3.75	**3.75**

(f) Loans and advances in nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment

Type of borrower	Amount of loan or advance in nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Nil	Nil	Nil

(g) All the related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors for approval and review on quarterly basis.

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

37 Intangible asset under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible asset under development	2.95	0.47
	2.95	**0.47**

37.1(a) Intangible asset under development ageing schedule

As at March 31, 2024

Intangible asset under development	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Projects in progress					
Product Development App*	0.25	-	-	-	0.25
ML APP *	2.70	-	-	-	2.70
	2.95	**-**	**-**	**-**	**2.95**

As at March 31, 2023

Intangible asset under development	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Projects in progress					
Mobile App	0.41	0.06	-	-	0.47
	0.41	**0.06**	**-**	**-**	**0.47**

*Project in progress is related with implementation of new workflow related to Mortgage loan and its expected completion date is 1st July 2024.

**Project in progress is related with implementation of new workflow related to Product Development App and its expected completion date is February 2025.

37.1(b) Movement of Intangible asset under development

Particulars	Mobile App	Product Development	ML APP	Total
Amount as at April 01, 2022	**0.06**	-	-	**0.06**
Additions During the year	0.41	-	-	**0.41**
Less: Amount capitalized in Intangible assets	-	-	-	-
Balance as at March 31, 2023	**0.47**	-	-	0.47
Amount as at April 01,2023	**0.47**	-	-	0.47
Additions During the year	0.23	0.25	2.70	3.18
Less: Amount capitalized in Intangible assets	0.70	-	-	0.70
Balance as at March 31, 2024	-	**0.25**	**2.70**	**2.95**
	-	**0.25**	**2.70**	**2.95**

37.2 Intangible asset under development Completion schedule

There is no intangible asset under development for which completion is overdue or has exceeded its cost compared to its original plan in the company.

38 Ratio analysis and it's elements**

Ratio	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for Variance (if above 25%)
(a) Capital to risk -weighted assets ratio (CRAR)	32.79%	31.07%	5.52%	Not applicable
(b) Tier I CRAR	32.79%	31.07%	5.52%	Not applicable
(c) Tier II CRAR	0.00%	0.00%	0.00%	Not applicable
(d) Liquidity coverage ratio	Not applicable	Not applicable	Not applicable	Not applicable

** Based on the requirement of the Schedule III

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39 Employee share based payments

The Company at its Extra Ordinary General Meeting held on November 29, 2016 had approved an Employee Stock Option Plan 2016 ('the Plan') and had authorised the Company to issue stock options under the above plan. The Company has provided loan to Aye Finance Employee Welfare Trust for purchase of 5,60,294 Equity shares (ESOP Shares) from the existing shareholders. In October 2020 the ESOP plan 2016 was discontinued and balance 155,751 shares of ESOP pool were transferred to a new ESOP plan. In financial year 2020, the Company approved a new employee stock option plan 2020 ('the ESOP 2020 Plan') and authorised the Company to issue stock options under the above plan. The Company has provided loans to Aye Finance Employee Welfare Trust for purchase of 632,918 Equity shares from the existing shareholder. The vesting period for the options in both ESOP 2016 Plan and ESOP 2020 Plan is 4 years (with 10%, 20%, 30% and 40% annual vesting under the ESOP 2016 Plan and 25% annual vesting under the ESOP 2020 Plan) commencing from the date of grant of options. It is the intention of the Company that the options would be exercised at the time of the listing of the shares pursuant to the liquidity event as defined in the ESOP scheme. During the year, the Company had granted 1,85,990 options on July 02,2023 and 3,01,645 options on January 02, 2024 (During previous year, the Company had granted 218,160 options on July 02,2022 and 4,340 options on January 02, 2023). Fair valuation has been carried at the grant date using the Black-Scholes model. The shares of the Company are not listed on any stock exchange. Accordingly, the expected median volatility for listed peer group has been considered.

Employee stock options details as on the balance sheet date are as follows:

As at March 31, 2024

Grant date	ESOP plan	Exercise price (Rs. per option)	Outstanding at the beginning of the year	Options granted / Adjustments	Options vested and exercisable	Options unvested	Options lapsed	Option outstanding
January 02, 2017	2016	29.00	1,09,076.00	-	-	-	4,816.70	1,04,259.30
June 02, 2017	2016	29.00	5,307.00	-	-	-	225.30	5,081.70
January 02, 2018	2016	29.00	23,855.00	-	-	-	424.98	23,430.02
July 02, 2018	2016	29.00	3,851.00	-	-	-	1,264.60	2,586.40
July 02, 2019	2016	29.00	1,98,564.00	-	-	-	38,558.70	1,60,005.30
July 02, 2020	2016	29.00	6,823.00	-	-	-	2,046.90	4,776.10
January 02, 2021	2020	615.87	1,85,857.00	-	-	-	7,210.50	1,78,646.50
July 02, 2021	2020	615.87	16,635.00	-	-	-	-	16,635.00
January 02, 2022	2020	615.87	94,900.00	27,127.50	-	-	11,127.50	1,10,900.00
July 02, 2022	2020	615.87	2,01,760.00	-	-	-	15,332.50	1,86,427.50
January 02, 2023	2020	615.87	4,340.00	-	-	-	840.00	3,500.00
July 02, 2023	2020	615.87	-	1,85,990.00	-	-	3,950.00	1,82,040.00
January 02, 2024	2020	615.87	-	3,01,645.00				3,01,645.00

As at March 31, 2023

Grant date	ESOP plan	Exercise price (Rs. per option)	Outstanding at the beginning of the year	Options granted	Options vested and exercisable	Options unvested	Options lapsed	Option outstanding
January 02, 2017	2016	29.00	1,09,076.00	-	-	-	-	1,09,076.00
June 02, 2017	2016	29.00	5,306.70	-	-	-	-	5,307.00
January 02, 2018	2016	29.00	23,855.00	-	-	-	-	23,855.00
July 02, 2018	2016	29.00	3,851.00	-	-	-	-	3,851.00
July 02, 2019	2016	29.00	2,03,635.00	-	-	-	5,071.00	1,98,564.00
July 02, 2020	2016	29.00	6,823.00	-	-	-	-	6,823.00
January 02, 2021	2020	615.87	1,96,420.00	-	-	-	10,563.00	1,85,857.00
July 02, 2021	2020	615.87	-	16,635.00	-	-	-	16,635.00
January 02, 2022	2020	615.87	1,18,954.00	-	-	-	24,054.00	94,900.00
July 02, 2022	2020	615.87	-	2,18,160.00	-	-	16,400.00	2,01,760.00
January 02, 2023	2020	615.87	-	4,340.00	-	-	-	4,340.00

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Employee share based payments
(Continued...)

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

39 Employee share based payments
(Continued...)

Weighted average fair value of stock options granted during the year is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023
Grant date	02-Jul-23	02-Jan-24	02-Jul-22
Number of options granted	1,85,990	3,01,645	2,18,160
Weighted average fair value (Rs.)	247.26	239.78	325.94

Method used for accounting for share based payment plan
The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility*	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (Rs.)	Conversion Ratio
January 02, 2017	4.89%	4 Years	41.97%	0.00%	72.00	01:01
June 02, 2017	4.89%	4 Years	41.97%	0.00%	72.00	01:01
January 02, 2018	4.89%	4 Years	41.97%	0.00%	111.43	01:01
July 02, 2018	4.89%	4 Years	41.97%	0.00%	256.24	01:01
July 02, 2019	4.89%	4 Years	41.97%	0.00%	447.37	01:01
July 02, 2020	4.89%	4 Years	41.97%	0.00%	615.87	01:01
January 02, 2021	5.04%	4 Years	42.44%	0.00%	615.87	01:01
July 02, 2021	5.66%	4.17 Years	50.06%	0.00%	615.87	01:01
January 02, 2022	5.66% (3.75-years) 6.09% (4-years)	3 to 4 years	48.96%	0.00%	615.87	01:01
July 02, 2022	7.00% (3.25-years) 7.11% (4-years)	3.25 to 4 years	48.96%	0.00%	615.87	01:01
January 02, 2023	7.15%	3.12 years	46.71%	0.00%	693.00	01:01
July 02, 2023	6.99%	2.87 years	43.22%	0.00%	650.00	01:01
January 02, 2024	7.21%	2.75 years	41.94%	0.00%	654.11	01:01

*Shares are exercisable on the occurrence of a Liquidity Event which primarily is the listing of the shares of the Company on a Stock Exchange via an Initial Public Offering.
**The share of the company are not listed on any stock exchange accordingly, the expected median volatility for listed peer group has been considered.
FV of shares of the Company is the Fair Value of the shares of the Company as on the grant date.

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40 Income taxes

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	227.86	71.40
(a) Income tax expense		
Current tax		
Current tax on profits for the year	70.63	-
Tax for earlier years	10.55	0.62
Total current tax (benefit) / expense	**81.18**	**0.62**
Deferred tax		
Credit recognised in statement of profit and loss	(14.45)	16.99
Total deferred tax expense / (benefit)	**(14.45)**	**16.99**
Income tax expense recognised in the statement of profit and loss	**66.73**	**17.61**
Deferred tax relating to other comprehensive income	**0.15**	**(1.00)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2024 and March 31, 2023 is, as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit from continuing operations before income tax expense	227.86	71.40
Applicable tax rate	25.17%	25.17%
Computed tax (gain) / expense	57.35	17.97
Tax effect of :		
Deductions Claimed / Expenses allowed under tax provisions	(23.39)	(0.98)
Disallowance / Expenses not allowable	36.67	-
Deferred tax credit on temporary differences	(14.45)	-
Tax for earlier years	10.55	0.62
Income tax expense recognised in the statement of profit and loss	66.73	17.61
The effective income tax rate	29.28%	24.67%

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40 Income taxes
(Continued)

(c) Deferred tax assets / liabilities

Components of deferred tax assets / (liabilities)	**As at March 31, 2023**	**Statement of profit and loss**	**Other comprehensive income**	**Others**	**As at March 31, 2024**
Measurement of financial assets at amortised cost	21.08	22.43			43.51
Measurement of financial liabilities at amortised cost	(3.53)	(1.09)			(4.62)
Difference in book balance of property, plant and equipment as per the Companies Act and the Income Tax Act	1.01	(0.10)			0.91
Provision for gratuity and compensated absences	2.57	0.61	0.15		3.34
Income tax losses	7.29	(7.29)			-
Others	0.92	(0.10)			0.82
	29.34	**14.46**	**0.15**	-	**43.95**

Components of deferred tax assets / (liabilities)	**As at March 31, 2022**	**Statement of profit and loss**	**Other comprehensive income**	**Others**	**As at March 31, 2023**
Measurement of financial assets at amortised cost	26.25	(5.17)			21.08
Measurement of financial liabilities at amortised cost	(3.47)	(0.06)			(3.53)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.70	0.31			1.01
Provision for gratuity and compensated absences	3.80	(0.23)	(1.00)		2.57
Income tax losses	16.97	(9.68)			7.29
Others	3.08	(2.16)			0.92
	47.33	**(16.99)**	**(1.00)**	-	**29.34**

41 The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

42 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company.

43 The Company does not have any year end unhedged foreign currency exposures.

44 **Standards issued but not yet effective**

There are neither new standards nor amendments to existing standards which has effect on the current financial statements and are effective for the annual period beginning from April 1, 2024.

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

45 Disclosures relating to securitisation

45.1 The information on securitisation of the Company as an originator in respect of

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
	(a) Total number of transactions entered during the year	21.00	17.00
	(b) Total number of loan assets	1,27,296.00	1,06,700.00
	(c) Total book value of loan assets	1,336.30	850.35
	(d) Sale consideration received	1,215.97	776.85

45.2 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021: Details of securitisation transactions:

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
	(a) No. of SPV's sponsored by NBFC for securitisation transactions	21.00	17.00
	(b) Total amount of securitised assets as per books of SPVs sponsored by the NBFC	1,336.30	850.35
	(c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	Off-balance sheet exposures		
	(i) First loss	-	-
	(ii) Others	-	-
	On-balance sheet exposures		
	(i) First loss	147.45	77.45
	(ii) Others (MRR including securitisation investments)	78.57	73.49
	(d) Amount of exposures to securitization transactions other than MRR		
	Off-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitisation		
	(i) First loss	-	-
	(ii) Loss	-	-
	On-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitisation		
	(i) First loss	-	-
	(ii) Loss	-	-
	(e) Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	1,215.97	776.85
	(f) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	(g) Performance of facility provided:		
	Credit enhancement facility		
	Fixed deposit		
	(i) Amount paid	147.45	77.45
	(ii) Repayment received	-	-
	(iii) Outstanding amount	147.45	77.45
	Corporate guarantee		
	(i) Amount paid	-	-
	(ii) Repayment received	-	-
	(iii) Outstanding amount	-	-
	(h) Average default rate of portfolios observed in the past	1.03%	0.46%
	(i) Amount and number of additional/top up loan given on same underlying asset	-	-
	(j) Investor complaints		
	Directly / Indirectly received and;	Nil	Nil
	Complaints outstanding	Nil	Nil

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46 Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD. No. 367/03.10.01/2013-14 dated January 23, 2014

46.1 For the year March 31, 2024

(Rupees in Crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
a	Restructured accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	288.00	-	-	288.00	-	288.00	-	-	288.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.98	-	-	2.98	-	2.98	-	-	2.98
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	2.02	-	-	2.02	-	2.02	-	-	2.02
b	Fresh restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	80.00	-	-	80.00	-	80.00	-	-	80.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	0.86	-	-	0.86	-	0.86	-	-	0.86
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.61	-	-	0.61	-	0.61	-	-	0.61
c	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	(33.00)	-	-	(33.00)	-	(33.00)	-	-	(33.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.55)	-	-	(0.55)	-	(0.55)	-	-	(0.55)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.33)	-	-	(0.33)	-	(0.33)	-	-	(0.33)
e	Down gradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	(73.00)	-	-	(73.00)	-	(73.00)	-	-	(73.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.86)	-	-	(0.86)	-	(0.86)	-	-	(0.86)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.62)	-	-	(0.62)	-	(0.62)	-	-	(0.62)
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	262.00	-	-	262.00	-	262.00	-	-	262.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.43	-	-	2.43	-	2.43	-	-	2.43
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.69	-	-	1.69	-	1.69	-	-	1.69

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

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Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rs. crores unless otherwise stated)

46 Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD. No. 367/03.10.01/2013-14 dated January 23, 2014
(Continued)

46.2 For the year March 31, 2023

(Rupees in Crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
a	Restructured accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	416.00	20.00	-	-	436.00	416.00	20.00	-	-	436.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	4.31	0.22	-	-	4.53	4.31	0.22	-	-	4.53
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.68	0.15	-	-	1.82	1.68	0.15	-	-	1.82
b	Fresh restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	94.00	-	-	94.00	-	94.00	-	-	94.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	1.19	-	-	1.19	-	1.19	-	-	1.19
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.79	-	-	0.79	-	0.79	-	-	0.79
c	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	(10.00)	-	-	-	(10.00)	(10.00)	-	-	-	(10.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.06)	-	-	-	(0.06)	(0.06)	-	-	-	(0.06)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.03)	-	-	-	(0.03)	(0.03)	-	-	-	(0.03)
e	Down gradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	(406.00)	406.00	-	-	-	(406.00)	406.00	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(4.25)	4.25	-	-	-	(4.25)	4.25	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(1.65)	1.65	-	-	-	(1.65)	1.65	-	-	-
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	232.00	-	-	232.00	-	232.00	-	-	232.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.68	-	-	2.68	-	2.68	-	-	2.68
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.56	-	-	0.56	-	0.56	-	-	0.56
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	288.00	-	-	288.00	-	288.00	-	-	288.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.98	-	-	2.98	-	2.98	-	-	2.98
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	2.02	-	-	2.02	-	2.02	-	-	2.02

* Excluding the figures of standard restructured advances which do not attract higher provisioning or risk weight (if applicable).

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

47 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	526.59	-	526.59	272.63	-	272.63
Bank balance other than cash and cash equivalents	160.75	42.92	203.67	55.45	65.97	121.42
Derivative financial instruments	-	-	-	3.07	-	3.07
Loans	1,976.45	2,026.67	4,003.12	1,431.30	1,124.14	2,555.44
Investments	10.61	-	10.61	84.46	-	84.46
Other financial assets	27.21	3.45	30.66	20.15	2.66	22.81
			-			
Non-financial assets			-			
Current tax assets (Net)	11.73	-	11.73	-	18.08	18.08
Deferred tax assets (Net)	-	43.94	43.94	-	29.34	29.34
Property, plant and equipment	-	8.96	8.96	-	5.46	5.46
Right of use assets	-	21.43	21.43	-	21.15	21.15
Intangible assets under development	-	2.95	2.95	-	0.47	0.47
Other intangible assets	-	1.32	1.32	-	0.55	0.55
Other non-financial assets	7.94	0.13	8.07	5.13	-	5.13
Total assets	**2,721.28**	**2,151.77**	**4,873.05**	**1,872.17**	**1,267.81**	**3,140.01**
Financial liabilities						
Derivative financial instruments	3.15	-	3.15	-	-	-
Debt securities	503.71	518.63	1,022.34	480.08	419.77	899.85
Borrowings (other than debt securities)	1,567.89	908.76	2,476.65	967.51	428.80	1,396.31
Lease liability	6.97	16.66	23.63	6.97	17.32	24.29
Derivative financial instruments	-	-	-		-	-
Other financial liabilities	55.42	-	55.42	16.07	-	16.07
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	15.26	15.03	30.29	14.53	8.14	22.67
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	25.46	-	25.46	12.32	-	12.32
Total liabilities	**2,177.86**	**1,459.08**	**3,636.94**	**1,497.48**	**874.03**	**2,371.51**
Net Amount			**1,236.11**			**768.50**

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48 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital

Particulars	Carrying amount	
	As at March 31, 2024	As at March 31, 2023
Tier I capital	1,058.77	656.38
Tier II capital	-	-
Total capital	1,058.77	656.38
Risk weighted assets	3,229.29	2,112.49
CRAR (%) *	**32.79%**	**31.07%**
Tier I capital (%)	**32.79%**	**31.07%**
Tier II capital (%)	-	-

* The above ratio has been computed in accordance with the relevant guidelines issued by the RBI.
Tier 1 capital consists of shareholders' equity and retained earnings. Tier II capital consists of general provision and loss reserve against standard assets . Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

49 Financial risk management framework

The Company's principal financial liabilities comprise borrowings from banks and debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.
In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, price risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.
The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.
The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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49.1 Credit risk management framework

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans and advances primarily based on days past due monitoring at year end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products / states / customer base with a cap on maximum limit of exposure for an individual / Group.
The below amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

49.1.1 Credit quality of financial loan

Particulars	Mortgage loans		Quasi Mortgage loans		Hypothecated and Switch pe loans	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Gross carrying value of loans						
Stage 1	332.31	49.85	110.41	104.15	3,512.30	2,367.39
Stage 2	0.48	0.26	1.78	3.17	40.74	21.59
Stage 3	1.70	0.53	7.07	9.00	122.87	55.72
Gross carrying value as at reporting date	**334.49**	**50.64**	**119.26**	**116.32**	**3,675.91**	**2,444.70**

The Company reviews the credit quality of its loans based on the ageing of the loan at the year end and hence the Company has calculated its ECL allowances on a collective basis.

49.1.2 Inputs considered in calculation of ECL

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.
The Company categorises loan assets into stages primarily based on the Days Past Due status.
Stage 1 : 0 to 30 days past due
Stage 2 : 31 to 90 days past due
Stage 3 : More than 90 days past due

1.3 Definition of default
The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

49.1.4 Exposure at default
"Exposure at default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

49.1.5 Estimations and assumptions used in the ECL model

(a) Loss given default (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are considered at portfolio basis for arriving loss rate.

(b) Probability of default (PD) is applied on Stage 1, Stage 2 and Stage 3 portfolio . This is calculated as an average of periodic movement of default rates.

49.1.6 Measurement of ECL

ECL is measured as follows:

(a) Financial assets that are not credit impaired at the reporting date: for Stage 1 & 2, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL.

(b) Financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD ;

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49.1 Credit risk management framework
(Continued)

49.1.7 Significant increase in credit risk

The Company considers its exposure in credit risk to have increased significantly, when the borrower crosses 30 DPD.

49.1.8 Impairment loss

(a) The expected credit loss allowance for **Mortgage loan** is determined as follows:

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per -forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2024	**332.31**	**0.48**	**1.70**	**334.49**
ECL rate	0.38%	33.33%	53.53%	
ECL amount	1.27	0.16	0.91	2.34
Carrying amount (net of provision)	**331.04**	**0.32**	**0.80**	**332.15**
Gross carrying value as at March 31, 2023	**49.85**	**0.26**	**0.53**	**50.64**
ECL rate	0.79%	25.89%	59.33%	
ECL amount	0.39	0.07	0.19	0.65
Carrying amount (net of provision)	**49.46**	**0.19**	**0.34**	**49.99**

(b) The expected credit loss allowance for **Quasi Mortgage loan** is determined as follows:

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per -forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2024	**110.41**	**1.78**	**7.07**	**119.26**
ECL rate	0.62%	23.60%	32.96%	
ECL amount	0.69	0.42	2.33	3.44
Carrying amount (net of provision)	**109.72**	**1.36**	**4.74**	**115.82**
Gross carrying value as at March 31, 2023	**104.15**	**3.17**	**9.00**	**116.32**
ECL rate	1.45%	13.57%	67.80%	
ECL amount	1.51	0.43	4.20	6.14
Carrying amount (net of provision)	**102.64**	**2.74**	**4.80**	**110.18**

(c) The expected credit loss allowance for **Hypothecated and Switch pe loan** is determined as follows:

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per -forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2024	**3,512.30**	**40.74**	**122.87**	**3,675.91**
ECL rate	0.46%	40.72%	74.66%	
ECL amount	16.18	16.59	91.73	124.50
Carrying amount (net of provision)	**3,496.12**	**24.15**	**31.14**	**3,551.41**
Gross carrying value as at March 31, 2023	**2,367.39**	**21.59**	**55.72**	**2,444.70**
ECL rate	0.65%	13.90%	71.26%	
ECL amount	15.45	3.00	28.24	46.69
Carrying amount (net of provision)	**2,351.94**	**18.59**	**27.48**	**2,398.01**

Credit risk management framework
(Continued)

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49.1 Credit risk management framework
(Continued)

49.1.9 Level of assessment - aggregation criteria

The company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information. Considering the economic and risk characteristics the company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets

49.1.10 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Mortgage Loans** is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	7.35	1.19	0.40	8.94
Transfer to stage 1	(0.01)	0.01	-	-
Transfer to stage 2	(0.13)	(0.09)	0.22	-
Transfer to stage 3	(0.06)	(0.11)	0.17	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	42.55	(0.52)	(0.23)	41.80
Write offs during the year	-	-	(0.10)	(0.10)
Gross carrying amount as at March 31, 2023	**49.70**	**0.48**	**0.46**	**50.64**
Changes due to loans recognised in the opening balances that have :				
Transfer to stage 1	0.26	(0.06)	(0.20)	-
Transfer to stage 2	(0.18)	0.18	-	-
Transfer to stage 3	(1.29)	(0.20)	1.49	-
Loans derecognised during the year				
Loans originated / derecognised during the year	283.90	0.10	(0.01)	283.99
Write offs during the year	(0.08)	(0.02)	(0.04)	(0.14)
Gross carrying amount as at March 31, 2024	**332.31**	**0.48**	**1.70**	**334.49**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2022	0.10	0.14	0.23	0.47
Transfer to Stage 1	0.00	(0.00)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(0.09)	(0.05)	0.14	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	0.38	(0.02)	(0.08)	0.28
Write offs during the year	-	-	(0.10)	(0.10)
ECL allowances balances as at March 31, 2023	**0.39**	**0.07**	**0.19**	**0.65**
Changes due to loans recognised in the				
Transfer to Stage 1	0.09	(0.02)	(0.07)	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(0.01)	(0.05)	0.06	-
Loans derecognised during the year				
Loans originated / derecognised during the year	0.80	0.16	0.73	1.69
ECL allowances balances as at March 31, 2024	**1.27**	**0.16**	**0.91**	**2.34**

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

49.1 Credit risk management framework
(Continued)

49.1.11 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Quasi Mortgage Loans** is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	107.57	16.58	10.84	134.99
Transfer to Stage 1	1.24	(1.28)	0.04	0.00
Transfer to Stage 2	(2.03)	2.04	(0.01)	(0.01)
Transfer to Stage 3	(4.69)	(3.00)	7.69	0.00
Loans derecognised during the year				
Loans originated / derecognised during the year	2.34	(9.02)	(2.84)	(9.52)
Write offs during the year	(0.28)	(2.15)	(6.71)	(9.15)
Gross carrying amount as at March 31, 2023	**104.15**	**3.17**	**9.00**	**116.32**
Changes due to loans recognised in the				
Transfer to Stage 1	8.10	(1.63)	(6.47)	-
Transfer to Stage 2	(1.71)	1.71	-	(0.00)
Transfer to Stage 3	(4.93)	(1.21)	6.14	-
Loans derecognised during the year				
Loans originated / derecognised during the year	5.36	0.45	2.98	8.79
Write offs during the year	(0.56)	(0.71)	(4.58)	(5.85)
Gross carrying amount as at March 31, 2024	**110.41**	**1.78**	**7.07**	**119.26**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2022	1.74	2.39	6.30	10.43
Transfer to Stage 1	0.00	(0.01)	0.01	-
Transfer to Stage 2	(0.15)	0.15	-	-
Transfer to Stage 3	(2.02)	(1.45)	3.47	-
Loans derecognised during the year				
Loans originated / derecognised during the year	2.12	0.77	(1.35)	1.54
Write offs during the year	(0.18)	(1.42)	(4.23)	(5.84)
ECL allowances balances as at March 31, 2023	**1.51**	**0.43**	**4.20**	**6.14**
Changes due to loans recognised in the				
Transfer to Stage 1	3.71	(0.27)	(3.44)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.06)	(0.12)	0.18	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(4.45)	0.36	1.39	(2.70)
ECL allowances balances as at March 31, 2024	**0.69**	**0.42**	**2.33**	**3.44**

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49.1 Credit risk management framework
(Continued)

49.1.12 An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Hypothecated and Switch pe loans is as follows:

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2022	1,478.64	62.35	43.54	1,584.53
Transfer to Stage 1	4.43	(4.76)	0.33	0.00
Transfer to Stage 2	(13.31)	13.34	(0.01)	0.01
Transfer to Stage 3	(39.71)	(7.46)	47.17	-
Loans derecognised during the year				
Loans originated / derecognised during the year	938.77	(31.14)	(3.70)	903.93
Write offs during the year	(1.42)	(10.74)	(31.61)	(43.77)
Gross carrying amount as at March 31, 2023	**2,367.39**	**21.59**	**55.71**	**2,444.70**
Changes due to loans recognised in the				
Transfer to Stage 1	55.13	(11.57)	(43.56)	-
Transfer to Stage 2	(38.90)	38.92	(0.02)	0.00
Transfer to Stage 3	(116.37)	(9.12)	125.49	-
Loans derecognised during the year				
Loans originated / derecognised during the year	1,249.00	9.11	24.11	1,282.21
Write offs during the year	(3.95)	(8.19)	(38.86)	(51.00)
Gross carrying amount as at March 31, 2024	**3,512.30**	**40.74**	**122.87**	**3,675.91**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2022	7.87	8.40	27.33	43.60
Transfer to Stage 1	(0.03)	(0.03)	0.05	(0.00)
Transfer to Stage 2	(1.60)	1.60	(0.00)	-
Transfer to Stage 3	(19.46)	(3.55)	23.01	-
Loans derecognised during the year				
Loans originated / derecognised during the year	29.53	3.55	(0.88)	32.20
Write offs during the year	(0.86)	(6.97)	(21.28)	(29.11)
ECL allowances balances as at March 31, 2023	**15.45**	**3.00**	**28.23**	**46.69**
Changes due to loans recognised in the				
Transfer to Stage 1	26.35	(1.75)	(24.60)	(0.00)
Transfer to Stage 2	(0.24)	0.25	(0.01)	-
Transfer to Stage 3	(0.73)	(1.09)	1.82	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(24.65)	16.18	86.29	77.82
ECL allowances balances as at March 31, 2024	**16.18**	**16.59**	**91.73**	**124.50**

Cash and cash equivalent and bank deposits

The Company maintains its bank balances in reputed banks and financial institutions. The credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

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49.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy which is monitored by the Asset Liability Committee. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Maturities of financial liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Lease liabilities	6.97	16.66	23.63	6.97	17.32	24.29
Debt securities	503.71	518.63	1,022.34	480.08	419.77	899.85
Borrowings (other than debt securities)	1,567.89	908.76	2,476.65	967.51	428.80	1,396.31
Trade payables	-	-	-	-	-	-
Other financial liabilities	55.42	-	55.42	16.07	-	16.07
Derivative Financial Instrument	(3.15)	-	(3.15)	-	-	-
	2,130.84	**1,444.05**	**3,574.89**	**1,470.63**	**865.89**	**2,336.52**

49.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include foreign currency receivables.

49.3.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.
The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Financial liabilities, Rs. Crores	USD	220.94	123.33
Financial liabilities, Rs. Crores	EURO	135.33	134.41

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49.3.2 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates as the company does not have any borrowings/loans on fluctuating interest rates except following:-

(a) Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Debt securities		
Variable rate	10.02	261.14
Fixed rate	1,012.32	638.71
Borrowings (other than debt)		
Variable rate	966.02	615.76
Fixed rate	1,510.63	780.55
Sensitivity analysis		
Increase by 80 basis points	7.81	6.27
Decrease by 80 basis points	(7.81)	(6.27)

(b) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.
Loans extended by the Company are all fixed rate loans

(c) Price risk exposure

The Company's Investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading.

Particulars	As at March 31, 2024	As at March 31, 2023
Investments	10.61	84.21
Sensitivity analysis		
increase by 4%	-	2.34
decrease by 4%	-	(2.34)

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50 Leases
(Continued)

50.1.1 Carrying value of lease liabilities:

Particulars	Total	Leases
Balance at March 31, 2022	**23.35**	**23.35**
Additions	7.51	7.51
Finance cost	3.16	3.16
Lease payments	(9.74)	(9.74)
Balance at March 31, 2023	**24.28**	**24.28**
Additions	10.06	10.06
Finance cost	2.21	2.21
Early termination	(1.23)	(1.23)
Adjustment of earlier year	(0.42)	(0.42)
Lease payments	(11.27)	(11.27)
Balance at March 31, 2024	**23.63**	**23.63**

50.1.2 Maturity analysis of lease liabilities

Contractual undiscounted cash flows	As at March 31, 2024	As at March 31, 2023
Less than one year	11.19	9.59
One to five years	17.35	19.47
More than five years	0.39	0.22
Undiscounted lease liabilities at March 31, 2023	**28.93**	**29.28**

50.1.3 Amounts recognised in profit or loss

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	2.21	3.16
Depreciation on ROU assets	9.45	7.32
	11.66	**10.48**

50.1.4 Cash outflow of leases

Particulars	As at March 31, 2024	As at March 31, 2023
Cash outflow of leases		
Lease payments	11.27	9.76
	11.27	**9.76**

50.1.5 Break up value of the current and non-current lease liabilities for the year ended March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	6.97	6.97
Non-current lease liabilities	16.66	17.32
	23.63	**24.29**

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51 Financial instruments and fair value disclosures

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly / indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy of asset and liabilities measured at fair value

Particulars	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial asset				
Derivative financial instruments	-	-	-	-
Investments				
Mutual funds	-	-	-	-
Mutual funds held as security in respect of borrowings	-	-	-	-
Security receipts	-	15.71	-	15.71
	-	**15.71**	**-**	**15.71**
Financial liabilities				
Derivative financial instruments	-	(3.15)	-	(3.15)
	-	(3.15)	-	(3.15)

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial Asset				
Derivative financial instruments	-	3.07	-	3.07
Investments				
Mutual funds	58.51	-	-	58.51
Mutual funds held as security in respect of borrowings	-	-	-	-
Security receipts	-	30.80	-	30.80
	58.51	**33.87**	**-**	**92.38**
Financial Liabilities				
Derivative financial instruments	-	-	-	-
	-	-	-	-

Fair Value hierarchy of Asset and Liabilities not measured at fair value

The management assessed that carrying value of financial asset and financial liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Valuation methodologies of financial instruments not measured at fair value

Loans

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings

Debt securities and borrowings are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level. The Company's borrowings which are at floating rate approximates the fair value.

Short term and other financial assets and liabilities

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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52 Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

52.1 For the year March 31, 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	3,955.02	18.14	3,936.88	16.27	1.87
Standard	Stage 2	43.01	17.18	25.83	0.23	16.95
Subtotal		**3,998.03**	**35.32**	**3,962.71**	**16.50**	**18.82**
Non-performing assets (NPA)						
Sub - standard	Stage 3	124.87	93.38	31.49	12.34	81.04
Subtotal Sub -Standard		**124.87**	**93.38**	**31.49**	**12.34**	**81.04**
Doubtful - up to 1 year	Stage 3	6.72	1.58	5.14	6.10	(4.52)
1 to 3 years	Stage 3	0.04	-	0.04	0.04	(0.04)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal Doubtful		6.76	1.58	5.18	6.14	(4.56)
Loss assets		-	-	-	-	-
Subtotal NPA	Stage 3	**131.63**	**94.96**	**36.67**	**18.48**	**76.48**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
All assets	Stage 1	3,955.02	18.14	3,936.88	16.27	1.87
	Stage 2	43.01	17.18	25.83	0.23	16.95
	Stage 3	131.63	94.96	36.67	18.48	76.48
Total		**4,129.66**	**130.28**	**3,999.38**	**34.98**	**95.30**

Note 1: The above table discloses the provisions amounts as per IRACP norms, while the Company has made a provision of non-performing assets as per the Company's policy which is in excess of the IRACP norms.

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52 Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

52.2 For the year March 31, 2023

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	2,515.42	17.36	2,504.03	11.08	6.28
Standard	Stage 2	25.02	3.50	21.52	0.40	3.10
Subtotal		**2,540.44**	**20.86**	**2,525.55**	**11.48**	**9.38**
Non-performing assets (NPA)						
Sub - standard	Stage 3	65.18	32.61	32.57	7.28	25.33
Subtotal Sub -Standard		**65.18**	**32.61**	**32.57**	**7.28**	**25.33**
Doubtful - up to 1 year	Stage 3	0.06	-	0.05	0.06	(0.06)
1 to 3 years	Stage 3	0.01	0.01	-	0.01	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal Doubtful		0.07	0.01	0.05	0.07	(0.06)
Loss assets		-	-	-	-	-
Subtotal NPA	Stage 3	**65.25**	**32.62**	**32.62**	**7.35**	**25.27**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Stage 1	2,515.42	17.36	2,504.03	11.08	6.28
All assets	**Stage 2**	25.02	3.50	21.52	0.40	3.10
	Stage 3	65.25	32.62	32.62	7.35	25.27
Total		**2,605.69**	**53.48**	**2,558.17**	**18.83**	**34.65**

Note 1: The above table discloses the provisions amounts as per IRACP norms, while the Company has made a provision of non-performing assets as per the Company's policy which is in excess of the IRACP norms.
Note 2: The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

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53 RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, as amended.

53 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

As at March 31, 2024

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-		-
Advances*	225.72	-	-	155.80	158.10	484.39	952.46	1,798.59	180.53	43.84	3,999.42
Investments^	250.31	40.02	18.61	17.87	12.89	51.29	59.85	42.92	-	-	493.76
Borrowing**	44.73	29.04	119.63	141.53	257.09	493.27	908.21	993.07	89.21	59.46	3,135.24
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	78.10	191.08	94.57	-	363.75

As at March 31, 2023

	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-		-	-	-	-		-
Advances*	158.45	-	-	108.00	114.59	352.36	697.89	1,141.17	30.24	6.22	2,608.92
Investments^	218.84	-	70.00	3.37	5.02	35.04	43.90	64.89	-	-	441.06
Borrowing**	5.07	20.08	55.80	105.47	93.02	341.79	678.15	651.51	79.10	-	2,029.99
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	91.92	44.83	4.71	98.16	26.55	-	266.17

Notes

* EIR on advances has been considered as per repayment schedule.
* Net of provision for standard and non performing asset.
* Advances not included staff loan.
* The advances are gross of impairment loss allowance.
** EIR on borrowing has been considered in the last bucket of the respective borrowing.
^ Investments include the amount of deposits with banks.
(a) Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.
(b) Above ALM does not consider cash balance existing as on balance sheet date.

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53 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on March 21, 2024)

(Continued)

53.2 Summary of material accounting policies

Refer to note 2 of Financial Statements for summary of material accounting policies.

53.3 Capital

Particulars		March 31, 2024	March 31, 2023
(a)	CRAR (%)	32.79%	31.07%
(b)	CRAR - Tier I Capital (%)	32.79%	31.07%
(c)	CRAR - Tier II Capital (%)	-	-
(d)	Amount of subordinated debt raised as Tier-II capital	-	-
(e)	Amount raised by issue of perpetual debt instruments	-	-

53.4 Investments

Particulars	March 31, 2024	March 31, 2023
Value of investments		
Gross value of investments		
In India	15.96	89.56
Outside India	-	-
Provisions for depreciation		
In India	5.35	5.10
Outside India	-	-
Net value of investments		
in india	10.61	84.46
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	5.10	2.94
Add : Provisions made during the year	0.25	2.16
Less Write-off / write-back of excess provisions during the year	-	-
Closing balance	5.35	5.10

53.5 Derivatives

.5.1 Forward rate agreement / interest rate swap

Particulars	March 31, 2024	March 31, 2023
The notional principal of swap agreements	356.27	257.74
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	-	-
The fair value of the swap book	(3.15)	3.07

* Counter- party for all swaps entered into by the Company are Scheduled Commercial Banks.

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53.5.2 Exchange traded interest rate (IR) derivatives

Particulars	Amount
Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2024 (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil

53.5.3 Disclosures on risk exposure in derivatives

Qualitative disclosures

The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative disclosures

Particulars	As at March 31, 2024		As at March 31, 2023	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
Derivative (notional principal amount) – for hedging	356.27	-	257.74	-
Marked to market positions	(3.15)	-	3.03	-
Credit exposure	356.27	-	257.74	-
Unhedged exposures	-	-	-	-

* Cross currency interest rate swap

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53.6 Disclosures relating to Securitisation (Refer Note No. 45 of the financial statements.)

53.7 Exposures

53.7.1 Exposure to real estate sector

Category	March 31, 2024	March 31, 2023
(a) Direct exposure		
Residential mortgages	**431.76**	**162.04**
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based limits.	431.76	162.04
Commercial real estate	**22.00**	**4.92**
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	22.00	4.92
Investments in Mortgage Backed Securities (MBS) and other securitised exposures	NIL	NIL
Residential	NIL	NIL
Commercial real estates	NIL	NIL
(b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
	453.76	**166.96**

53.7.2 Exposure to capital market

Particulars	March 31, 2024	March 31, 2023
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.25	NIL
(b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible	NIL	NIL
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	NIL	NIL
(i) Financing to stockbrokers for margin trading	NIL	NIL
(j) All exposures to Alternative Investment Funds:		
(i) Category I	NIL	NIL
(ii) Category II	NIL	NIL
(iii) Category III	NIL	NIL
	0.25	**NIL**

Note : The above 53.7.1 & 53.7.2, information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

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53.8 Details of financing of parent company products

The Company doesn't have parent Company, hence this clause is not applicable.

53.9 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the March 31, 2024 and March 31, 2023

53.10 Unsecured advances

The Company has given Rs. 1659.19 crores (previous year: Rs. 816.18 crores) of unsecured loans.

53.11 Miscellaneous

53.11.1 Registration obtained from other financial sector regulators

The Company does not hold any other registration other than NBFC registration from RBI.

Registration/ License	Issuing Authority	Registration / License number
Certificate of Registration	Reserve Bank Of India (RBI)	B-14.03323

53.11.2 Disclosure of penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2024 and March 31, 2023

53.11.3 Related party transactions

Refer note 36 of Financial Statements for related party transaction disclosure.
The company have not entered into any transactions related to borrowings, deposits, placement of deposits, advances, purchase/sale of fixed/other assets and Investments during the year with directors, KMP and their relatives. Hence there is no outstanding balance during the year.

53.11.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Rating purpose	FY 2023-24		FY 2022-23	
	Rating Assigned	Rating Outlook	Rating Assigned	Rating Outlook
Aye Finance Private Limited by India Ratings & Research				
NCD Rs. 1013.79 (previous year 1248.83 crores)*	[IND] A-	Positive	[IND] A-	Stable
Bank loans 500 crores (previous year Rs. 400 crores)*	[IND] A-	Positive	[IND] A-	Stable
Commercial paper Rs. 50 crores	[IND] A1	Positive	[IND] A2+	Stable
Principal protected market-linked debenture (PP-MLD) Rs. 195 crores (previous year 210 crores)	IND PP-MLD A -	Positive	IND PP-MLD A -	Stable
Aye Finance Private Limited by ICRA				
NCD for the previous year Rs. 65.00 crores**	N.A.	N.A.	[ICRA] BBB+	Stable

** ICRA ratings withdrawn w.e.f. May 16, 2023. Rating at the time was BBB+ with positive outlook
*Rating letter dated Feb 20, 2024. As per the rating, the long term rating outlook of the company was upgraded to "Positive" from "Stable". Rating of A- was reaffirmed. Additionally, Short term rating was upgraded to A1 from A2+.

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53.12 Additional disclosures

53.12.1 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	March 31, 2024	March 31, 2023
Provisions for depreciation on investment	-	5.10
Provision towards NPA	62.38	(1.24)
Provision made towards income tax net of deferred tax	66.73	17.61
Other provision and contingencies (Gratuity and Leave encashment)	7.39	1.06
Provision for Standard assets	14.42	0.22

53.12.2 Draw down from reserves

The Company has not made any drawdown from the reserve during the year.

13 Concentration of deposits, advances, exposures and NPAs

The Company has not taken any deposits from any party.

53.13.1 Concentration of advances

Particulars	March 31, 2024	March 31, 2023
Total advances to twenty largest borrowers	2.13	1.83
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.05%	0.07%

53.13.2 Concentration of exposures

Particulars	March 31, 2024	March 31, 2023
Total exposure to twenty largest borrowers / customers	2.13	22.72
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	0.05%	1.24%

53.13.3 Concentration of NPAs

Particulars	March 31, 2024	March 31, 2023
Total exposure to top four credit impaired accounts	0.28	0.18

53.13.4 Sector-wise NPAs

Sector		Percentage of NPAs to total advances in that sector	
		March 31, 2024	March 31, 2023
(a)	Agriculture and allied activities	-	-
(b)	MSME	3.19%	2.49%
(c)	Corporate borrowers	-	-
(d)	Services	-	-
(e)	Unsecured personal loans	-	-
(f)	Auto loans	-	-
(g)	Other personal loans	-	-

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53.13.5 Movement of NPAs

Particulars		March 31, 2024	March 31, 2023
(a)	Net NPAs to Net Advances (%)	0.91%	1.28%
(b)	Movement of NPAs (Gross)		
	(i) Opening balance	65.39	57.28
	(ii) Additions during the year	119.44	61.29
	(iii) Reductions during the year	(53.20)	(53.18)
	(iv) Closing balance	131.63	65.39
(c)	Movement of Net NPAs		
	(i) Opening balance	32.81	23.42
	(ii) Additions during the year	28.85	31.07
	(iii) Reductions during the year	(24.99)	(21.68)
	(iv) Closing balance	36.67	32.81
(d)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(i) Opening balance	32.58	33.86
	(ii) Additions during the year	90.59	30.22
	(iii) Reductions during the year	(28.21)	(31.50)
	(iv) Closing balance	94.96	32.58

53.14 Overseas assets

The Company does not own any assets outside the country.

53.15 Off – balance sheet SPVs sponsored

The Company does not have any off balance sheet SPV sponsored either domestic or overseas.

53.16 Disclosure of customer complaints

53.16.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S. No.	Particulars	March 31, 2024	March 31, 2023
	Complaints received by the NBFC from its customer		
(a)	No. of complaints pending at the beginning of the year	4	-
(b)	No. of complaints received during the year	864	405
(c)	No. of complaints redressed during the year	856	401
	Of which, number if complaints rejected by the NBFC*	-	-
(d)	No. of complaints pending at the end of the year	12	4
	Maintainable complaints received by the NBFC from office of Ombudsman		
(e)	Maintainable complaints received by the NBFC from office of Ombudsman	31	14
	Of (e) , No of complaints resolved in favour of the NBFC from office of Ombudsman	31	13
	Of (e) ,No of complaints resolved through Conciliation/Mediation/advisories issued by office of Ombudsman	-	1
	Of (e) ,No of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
(e) (i)	No. of awards unimplemented with in the Stipulated time (other than those appealec	-	-

* Represents number of complaints submitted by internal ombudsman to RBI vide circular no. RBI/2021-2022/126 dated November 15, 2021

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

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53.16.2 Top five grounds of complaints received by the NBFCs from customers

March 31, 2024

SL No.	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	%Increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(a)	Credit Bureau Rectification	2	327	57%	6	-
(b)	Customer Interaction Issue	1	235	279%	3	-
(c)	Customer Dispute or Money Misappropriate	-	53	212%	1	-
(d)	Settlement Related	-	60	NA	-	-
(e)	Contact Number Update/Removal (non-Existing)	-	32	191%	1	-
(f)	Others	1	157	67%	1	-
		4	**864**	**113%**	**12**	**-**

March 31, 2023

SL No.	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	%Increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(a)	Credit Bureau Rectification	-	208	121%	2	-
(b)	Customer Interaction Issue	-	62	40%	1	-
(c)	Refund issue (Charges/extra EMI refund)	-	17	467%	-	-
(d)	Settlement Related	-	13	217%	-	-
(e)	Commission Asked	-	11	1100%	-	-
(f)	Others	-	94	104%	1	-
		-	**405**	**96%**	**4**	**-**

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

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53.17 Expenditure on corporate social responsibility

Refer note 31 of Financial Statements for disclosure pertaining to corporate social responsibility expenses.

53.18 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to Rs. 0.42 crores (March 31, 2023 Rs. 0.06 crores).

53.19 Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 06, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

Particulars	March 31, 2024	March 31, 2023
No. of accounts restructured	343	1,436
Amount (Rs. in crores)*	2.61	10.36

* Balances are as at March 31, 2024

53.20 Details of the Code on Social Security, 2020 ('CODE') relating to employee benefits

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53.21 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.

53.22 Transactions with non-executive directors

Name of non-executive director	Transaction type	March 31, 2024	March 31, 2023
Mr. Navin Kumar Maini	Payment of sitting fees	0.05	0.10
Ms. Kanika Tandon Bhal	Payment of sitting fees	0.07	0.03
Mr. Vinay Baijal	Payment of sitting fees	0.05	0.08
Ms. Arpita Pal Agarwal	Payment of sitting fees	0.03	0.04
Mr. Sanjay Gupta	Payment of sitting fees	0.07	-
Mr. Govinda Rajulu Chinta	Payment of sitting fees	0.08	-
		0.35	**0.25**

53.23 Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition.

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53.24 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006
Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.
On the basis of information and record available with the management, there are no outstanding balances of such suppliers and interest due on such accounts as on March 31, 2024
The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

53.25 Details of non-performing financial assets purchased/sold
The Company has not sold non performing financial asset during 2023-24 and has sold non performing financial asset during 2022-23. Refer Note no. 53.27.1 (c).

53.26 Value of imports calculated on CIF basis
The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2023 – Nil).

53.27 Disclosure pursuant to Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification")

53.27.1 Details of non-performing assets (NPAs) transferred are given below:
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 year ended.

	March 31, 2024	March 31, 2023
Aggregate amount of loans transferred	246.78	206.98
Retention of beneficial economic interest	10%	10%
Weighted average maturity (residual	18.4 months	16.7 months
Weighted average holding period	7.64 months	7.1 months
Coverage of tangible security	-	-
Rating-wise distribution of rated loans	Unrated	Unrated

(b) Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of loan exposures) Directions, 2021 during the year ended March 31, 2024: Nil

(c)(i) Details of stressed loans transferred during the year ended March 31, 2023

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA*	SMA
No. of accounts	9,024	-
Aggregate principal outstanding of loans transferred (Rs. in crores)	83.76	-
Weighted average residual tenor of the loans transferred (in months)	11 months	-
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	11.11	-
Aggregate consideration (Rs. in crores)	13.28	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

*Including written off loans amounting to Rs. 51.65 crores

(c)(ii) The Company has not transferred any stressed loan during the financial year ended March 31, 2024

(d) The Company has not acquired any stressed loan during the financial year ended March 31, 2024 & March 31,2023

53.27.2 The Company has not acquired any special mention account or stressed loan or loan not in default.

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53.27.3 Disclosures as required for liquidity risk

(a) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31, 2024	March 31, 2023
Number of significant counter parties	33	34
Amount	3,014.14	2,082.37
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	82.89%	87.81%

(b) Top 20 large deposits

Particulars	March 31, 2024	March 31, 2023
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

(c) Top 10 borrowings

Particulars	March 31, 2024	March 31, 2023
Total amount of top 10 borrowings	1,788.90	1,113.37
Percentage of amount of top 10 borrowings to total borrowings	49.19%	48.49%

(d) Funding concentration based on significant instrument/product

Name of the instrument/product	March 31, 2024		March 31, 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Non-convertible debentures (Secured)	912.64	25.09%	771.92	32.55%
Non-convertible debentures (Unsecured)	109.70	3.02%	127.93	5.39%
Term Loans	1,307.06	35.94%	525.09	22.14%
Borrowing under securitization arrangement	800.85	22.02%	562.04	23.70%
External commercial borrowings	363.74	10.00%	266.18	11.22%
Working capital/Line of credit/Overdraft facility**	-	-	43.00	1.81%

** Current Year it is less than 1% hence it is not disclosed.

(e) Stock ratios

Particulars	March 31, 2024	March 31, 2023
Commercial papers as a % of total public funds	-	-
Commercial papers as a % of total liabilities	-	-
Commercial papers as a % of total assets	-	-
Non-convertible debentures as a % of total public funds	-	-
Non-convertible debentures as a % of total liabilities	-	-
Non-convertible debentures as a % of total assets	-	-
Other short-term liabilities as a % of total public funds	62.24%	65.22%
Other short-term liabilities as a % of total liabilities	59.88%	63.14%
Other short-term liabilities as a % of total assets	44.69%	47.69%

Note 1 : Significant counterparty is as defined in RBI Circular RBI/1019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.
Note 2 : Significant instrument/product is as defined in RBI Circular RBI/1019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.
Note 3 : Public funds are as defined in Master Direction - Non Banking Financial Company - Scale based circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.

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53.28 Transfer of financial assets

53.28.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions with the Special Purpose Vehicle Trusts (SPV Trust) sponsored by financial institution for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

Particulars	March 31, 2024	March 31, 2023
Carrying amount of transferred assets measured at amortised cost	891 30	596.81
Carrying amount of associated liabilities (Debt securities -measured at amortised cost)	800.85	562.03

53.28.2 Transferred financial assets that are derecognised

During the year , the company has assigned (earlier measured at amortised cost) by way of direct assignment as per the agreed terms of the deals. Since substantial risk and rewards related to these assets were transferred to the buyer, the asset have been de-recognised from the books of accounts. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition during the year.

Particulars	March 31, 2024	March 31, 2023
Carrying amount of transferred assets measured at amortised cost	214.14	122.07
Carrying amount of exposures retained by the company at amortised cost	21.41	12.21
Gain on sale of the derecognised financial assets	18.95	12.51

Since the company transferred the above financial asset in a transfer that qualified for derecognition in its entirely, therefore the whole of the interest spread (over the expected life of the asset) is recognized on the day of derecognition itself as interest strip receivable and correspondingly recognised as gain on derecognition of financial asset

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(Continued)

53.29 Detail of resolution plan implemented under the resolution framework for Covid - 19 related stress as per RBI circular dated August 06, 2020 (resolution framework - 1.0) and May 05, 2021 (resolution framework - 2.0) as March 31, 2024 as given below: -

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 period ended March 31, 2024	Of (A) amount written off during the period ended March 31, 2024	Of (A) amount paid by the borrowers during the period ended March 31, 2024**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2024 *
Personal Loans #	9.63	1.29	2.28	4.68	1.38
Corporate Persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	9.63	**1.29**	**2.28**	**4.68**	**1.38**

* Consist of unbilled and overdue principal
** Includes portfolio sold to ARC
# Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

53.30 Changes in liabilities arising from financing activities *

Particulars	**April 1, 2023**	**Cash flows**	**Exchange difference**	**Other**	**March 31, 2024**
Debt securities	899.85	136.71	-	(14.22)	1,022.34
Borrowings (other than debt securities)	834.27	841.40	6.18	(6.05)	1,675.80
Borrowings under securitisation	562.04	239.57	-	(0.77)	800.85
	2,296.16	1,217.68	6.18	(21.04)	3,498.99

Particulars	**April 1, 2022**	**Cash flows**	**Exchange difference**	**Other**	**March 31, 2023**
Debt securities	922.23	(22.38)	-	-	899.85
Borrowings (other than debt securities)	489.62	279.70	(6.96)	71.91	834.27
Borrowings under securitisation	108.89	453.15	-	-	562.04
	1,520.74	**710.47**	**(6.96)**	**71.91**	**2,296.16**

* Amounts are inclusive of accrued interest.

53.31 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.

53.32 There are no significant subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

53.33 Intra Group Exposure
The company does not have any Intragroup Exposures for the Year ended March 31, 2024 & March 31, 2023.

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on March 21, 2024)

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53 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as (Continued)

53.34 Unhedged Foreign currency Exposure

The company has Nil Unhedged Foreign currency Exposure as at March 31, 2024 & March 31, 2023. Refer Note 49 for policies to manage induce foreign currency risk.

53.35 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the year ended March 31, 2024 and March 31, 2023

53.36 Details of penalties imposed by RBI and other regulators

No penalty was levied during the year ended March 31,2024 and March 31,2023.

53.37 Breach of covenant

The company has no instance of breach of covenant in respect of loans availed and debt securities issued as at March 31, 2024 and March 31, 2023

38 Divergence in Asset Classification and Provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:

(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

(b) the additional Gross NPAs identified by RBI/NBH exceeds 5 percent of the reported Gross NPAs for the reference period.

No inspection conducted by the RBI during the financial year ended March 31, 2024

53.39 Disclosure on Modified Opinion

The auditor have expressed an unmodified opinion for year ended March 31, 2024 & March 31, 2023.

53.40 Sectoral exposure

Sector		FY 2023-2024			FY 2022-2023		
		Total Exposure	**Gross NPAs**	**% of Gross NPA to Total Exposure**	**Total Exposure**	**Gross NPAs**	**% of Gross NPA to Total Exposure**
(a)	Agriculture and allied activities	-	-	-	-	-	-
(b)	Industry	-	-	-	-	-	-
(c)	Services	-	-	-	-	-	-
(d)	Personal loans	-	-	-	-	-	-
(e)	**Others - MSME**	4,129.66	131.63	3.19%	2,621.56	65.39	2.49%

Note : The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors.

53.41 Net Profit or Loss for the period, prior period items and changes in accounting policies: There are no any prior period items and changes in accounting policies.

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54 Other Notes

Balance Sheet disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) issued by the Reserve Bank of India.

Liabilities Side:

		Particulars	Amount Outstanding	Amount Overdue
54.1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
	(a)	Debentures:		
		(i) Secured	912.64	-
		(ii) Unsecured	109.70	-
		(other than falling within the meaning of Public deposits*)		
	(b)	Deferred credits		
	(c)	Term loans	1,670.80	-
	(d)	Inter - corporate loans and borrowings		
	(e)	Commercial paper		
	(f)	Public deposits		
	(g)	Other loans		
		(i) Liabilities in respect of securitised transactions	800.85	
		(ii) Loans repayable on demand	5.00	
		* Please see Note 1 below		
54.2		**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)	Other public deposits	-	-
		* Please see Note 1 below		

Assets Side:

		Particulars	Amount Outstanding
54.3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	(a)	Secured	2,474.21
	(b)	Unsecured	1,659.19
54.4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**	
	(i)	Lease assets including lease rentals under sundry debtors:	
		(a) Financial Lease	-
		(b) Operating Lease	-
	(ii)	Stock on hire including hire charges under sundry debtors:	
		(a) Assets on hire	-
		(b) Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities	
		(a) Loans where assets have been repossessed	-
		(b) Loans other than (a) above	-

Balance Sheet disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) issued by the Reserve Bank of India.

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Balance Sheet disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) issued by the Reserve Bank of India.

Continued

		Assets Side: Particulars	Amount Outstanding
54.5		**Break-up of investments:**	
		Current investments:	
	1	**Quoted:**	
		(i) Shares:	
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	-
		(v) Others	-
	2	**Unquoted:**	
		(i) Shares:	
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	-
		(v) Others(security receipt - ARCIL TRUST)	15.71
		Long Term Investments:	
	1	**Quoted:**	
		(i) Shares:	-
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	-
		(v) Others	-
	2	**Unquoted:**	
		(i) Shares:	
		(a) Equity	0.25
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	-
		(v) Others (security receipt - ARCIL TRUST)	-

Balance Sheet disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) issued by the Reserve Bank of India.

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Balance Sheet disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) issued by the Reserve Bank of India.
Continued

54.6 Borrower group-wise classification of assets financed as in (3) and (4) above :
(Please see Note 2 below)

Category		Amount Net of Provisions		
		Secured	Unsecured	Total
1	Related Parties**			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	2,403.40	1,599.72	4,003.12
		2,403.40	**1,599.72**	**4,003.12**

54.7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
(Please see Note 3 below)

Category		Market Value/Break-up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **		
	(a) Subsidiaries	0.25	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	15.71	10.61
		15.96	**10.61**

**** As per notified Accounting Standard (Please see below Note 3)**

54.8 Other information

Particulars		Amount
(i)	Gross non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	131.63
(ii)	Net non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	36.67
(iii)	Assets acquired in satisfaction of debts (net of provision)	-

Notes:

1. As defined in Paragraph 5.1.26 of the RBI NBFC Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

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NEW DELHI
Chartered Accountants

55 Other statutory information

(a) The Company do not have any investment property.

(b) The Company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

(c) Since, the Company does not have any immovable property, clause related to title deeds of property not held in the company's own name is not applicable.

(d) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

(e) The Company is a NBFC - Middle Layer as classified under Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulations) Directions, 2023.

(f) The quarterly statement of current assets submitted to banks/ financial institutions which are provided as security against the borrowings are in agreement with the books of account.

(g) There has been no significant events after the reporting date require disclosure in these financial statements.

(h) The Company has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(i) The Company has not traded or invested in crypto currency or virtual Currency during the financial year.

(j) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(k) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(l) During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable to the Company.

(m) The Company has not advanced or granted loan to promoter, director, KMP & related party.

(n) The Company is not declared wilful defaulter by any bank or financial institution or other lenders.

(o) During the financials year 2023-24 and financials year 2022-23, The Company has not invested with number of layers of Companies as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

In terms of our report attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No.: 000756N / N500441

S S KOTHARI MEHTA & CO. LLP NEW DELHI Chartered Accountants

per Vijay Kumar
Partner
Membership No: 092671
New Delhi
May 24, 2024

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

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 24, 2024

Govinda Rajulu Chintala
Chairperson and
Independent Director
DIN: 03622371
Virginia, USA
May 24, 2024

Krishan Gopal
Chief Financial Officer
Gurugram
May 24, 2024

Tripti Pandey
Company Secretary
Membership No.: 32760
Place: Gurugram
May 24, 2024