

ANNUAL REPORT 2018-19

AYE [आय]

AYE FINANCE
PRIVATE LIMITED



आचार्यात् पादमादत्ते पादं शिष्यः स्वमेधया ।
पादं सब्रह्मचारिभ्यः पादं कालक्रमेण च ॥



A student learns a quarter from teacher, a quarter from
own intelligence, a quarter from fellow
students, and quarter with the passage of time.

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OUR VISION

To be a leading finance company in India,
admired by Customers, Employees, Investors and Regulators
for Service and Innovations.

OUR VALUES

INNOVATION

SERVICE

TRUST

MENTORING

SOCIAL
GOOD



FOREWORD FROM THE MANAGING DIRECTOR



"In the last five years I believe that the Aye team has demonstrated the robustness of our cluster-based lending approach and in many ways these five years have helped us 'prove our business model.'"

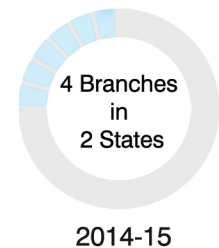
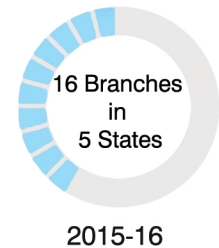
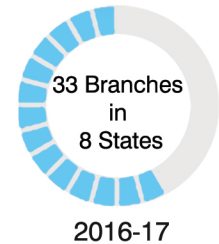
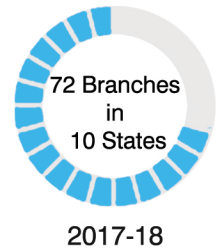
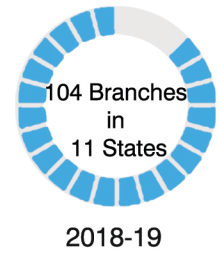
PROVING THE BUSINESS

We started our journey five years ago with a lofty vision, not unlike many new organizations, to be the industry leader. The last 5 years have demonstrated our serious commitment to not only becoming a leader in providing business loans to the excluded micro enterprises, but also achieving it in a manner that makes us admired by our stakeholders - the customers, employees, investors and the regulators. We have some miles to go before we get to our vision and I am satisfied with the progress we have continued to make towards this aspired goal.

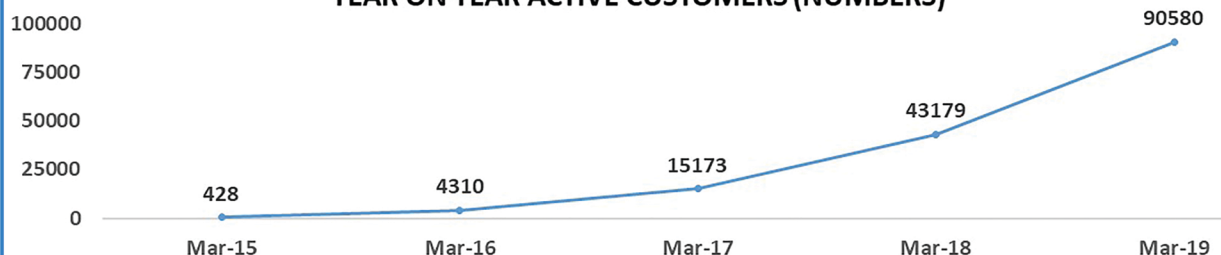
Lending to micro enterprises has been a less travelled path for banks and financial companies and hence it is satisfying to have established an innovative paradigm of our lending approach. In the last five years I believe that the Aye team has demonstrated the robustness of our cluster based lending approach and in many ways these five years have helped us 'prove our business model'.

Our aim to delight our stakeholders has led us to building an institution that has achieved many differentiated milestones in our brief journey so far. While we have proven the business approach we have also built a foundation that can be leveraged for confident growth in the coming years and for enhanced value creation for our stakeholders.

BRANCH EXPANSION

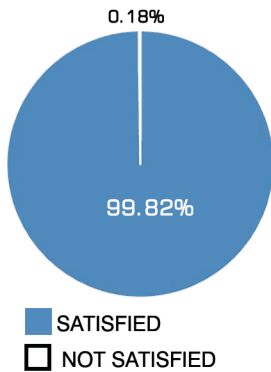


YEAR ON YEAR ACTIVE CUSTOMERS (NUMBERS)



CUSTOMERS

CUSTOMER SATISFACTION
2018-19



Lack of business funds is the biggest obstacle in the path of the 63 million owners of micro enterprises. Banks and finance companies have been unable to service this segment. This excluded segment of micro enterprise owners is our chosen target customer segment. It is no surprise that innovation and new thinking has become a norm for our team as we tread a pioneering path. Aye team has made commendable progress in establishing and improving its cluster based method to underwrite these 'new to credit' businesses.

We have steadily grown our customer base and in five years we have disbursed over 125,000 loans and have a base of over 90,000 active customers. We have a diversified business with customers in 103 towns covering over 50 business clusters and occupations.

By meeting the promised service turnaround time with a high level of consistency and making the process frictionless and transparent for a customer, we have ensured customer satisfaction levels in the high 90s. We are fulfilling a major need for funds for our customers and now we also plan to look beyond finance to help customers progress through our 'beyond funding' initiatives. This neatly ties in with the value of 'social good', which is one of the five corporate values that guide us.

The first impact study instituted by Aye sampled 1633 customers across geographies and have reiterated the positive impact that we are creating in the socio-economic advancement of our customers. Details are mentioned in the social impact study that is included in this annual report.



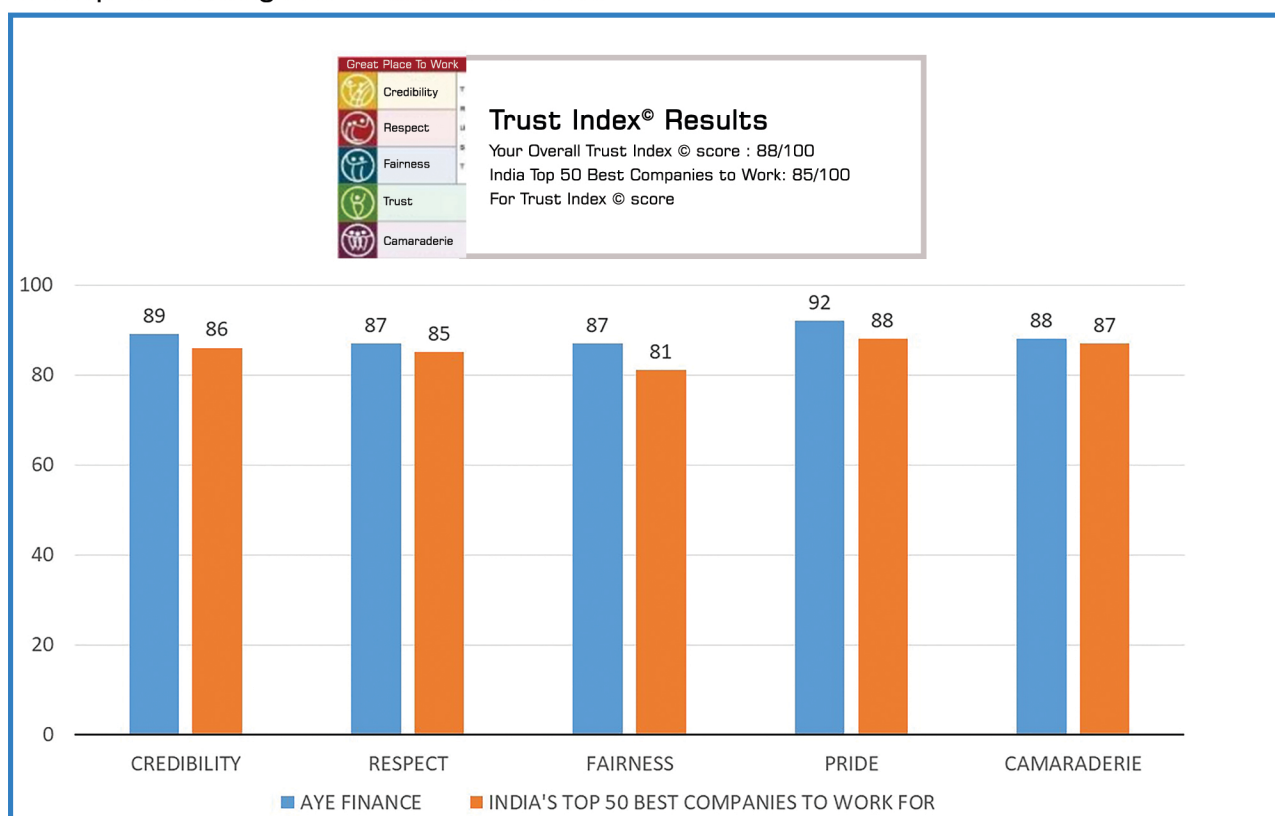
EMPLOYEES

It is our proficient employees who breathe life into our corporate vision. There is no doubt that their unrelenting effort to excel at work makes us a high achievement unit. They have competently forged paths in uncharted terrain, as we have overcome obstacles and established our business in new towns, one after the other. Our people help us deliver service to customers through an optimal high touch and high tech approach that provides us unparalleled access to customer clusters.

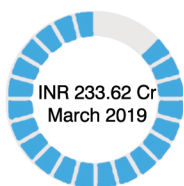
We are now a team of 1887 employees and we hired over 1300 team members in the last year alone. We delivered an impressive 37,600 man-hours of training. The exceptional effort of many of our employees were recognized through over 2350 monthly rewards and over 700 job advancements.

At Aye we have the benefit of an experienced and competent leadership team that has helped guide our teams and execute our strategies. Their contribution to managing, mentoring and developing the teams has been commendable. They have helped bring about a great balance between a rapidly growing business and the need for prudence in our lending. I expect to see many of our leaders help us in the coming years, to become thought leaders in our industry for financing the micro businesses.

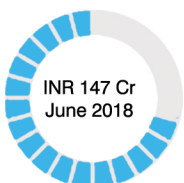
Our deliberate focus on employees has resulted in an engaged workforce that rates us highly. This is the primary reason that we were certified as a 'Great Place to Work' by Great Place To Work Institute and we have been ranked as the top five best workspaces among NBFCs in India for 2019.



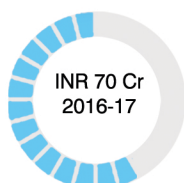
EQUITY RAISED



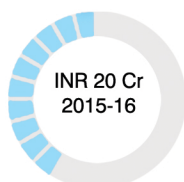
Series D



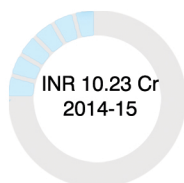
Series C



Series B



Series A



Seed

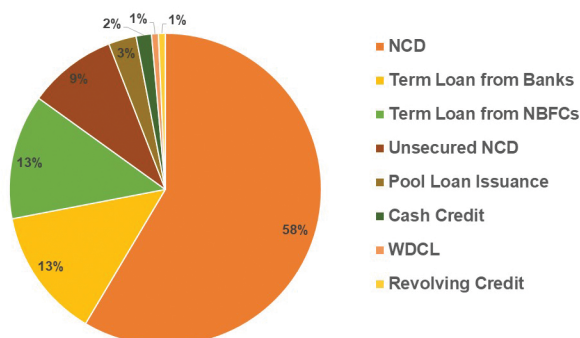
INVESTORS & FUNDING PARTERS

Our ambition to be a large scaled business has been ably supported by a set of large private equity investors. We have raised four rounds of equity in the last five years and most of the investors have invested into multiple equity rounds. This demonstrates their comfort with and commitment to our business. Their continued interest in our business, their engagement in our Board and in a variety of strategic projects has powered our fast growing business. Please look at our website www.ayefin.com for further details of our esteemed investors.

We have a mix of commercial as well as impact investors in our board and this has brought in a balanced approach of a double bottom line. We aim to deliver an optimal mix of profits while catalysing a responsible social impact.

A large lending business has to be proficient at raising debt funds and we have found considerable success in raising debt funds through a variety of debt instruments. We have been fortunate to have sustained positive relationships with over 29 debt providers which includes term loans from leading global development finance institutions (DFIs), banks and finance companies. Besides term loans, we have demonstrated success in raising debt funds through NCDs, securitization and pooled debt issuance. The strategic approach to have a diversified funding pool has enabled us to weather the extreme volatility seen last year in the debt market in India, without any disruption to our lending momentum. We have an impeccable track record in the last 3 years of debt repayments. We continue to follow prudent asset-liability management practices and have maintained good levels of liquidity for running our company.

Debt Funds As on 31st March 2019



OUTCOMES & IMPACT

The year FY2018-19 is our fifth year of operation and the robustness of our business can be gauged from the following key metrics :

The principal outstanding of customer loans has grown from INR 469 crores to 1047 crores

We disbursed INR 996 crores in business loans to micro businesses

We have made over 125,000 loan disbursements since inception

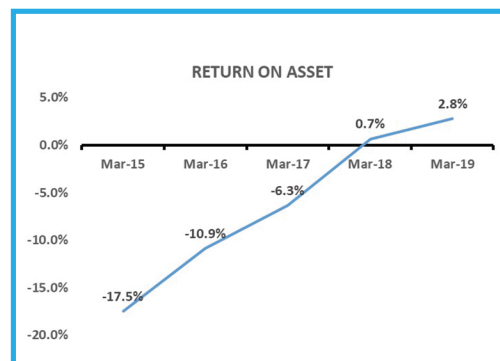
This is our 2nd consecutive year of profits and delivered a return on assets (ROA) of 2.8 % in FY18-19.

We raised equity in two rounds during the year first from CapitalG (investment fund of Google) and then from Falcon Edge (a large investment fund based in USA).

We raised INR 503 crores of debt during the year.

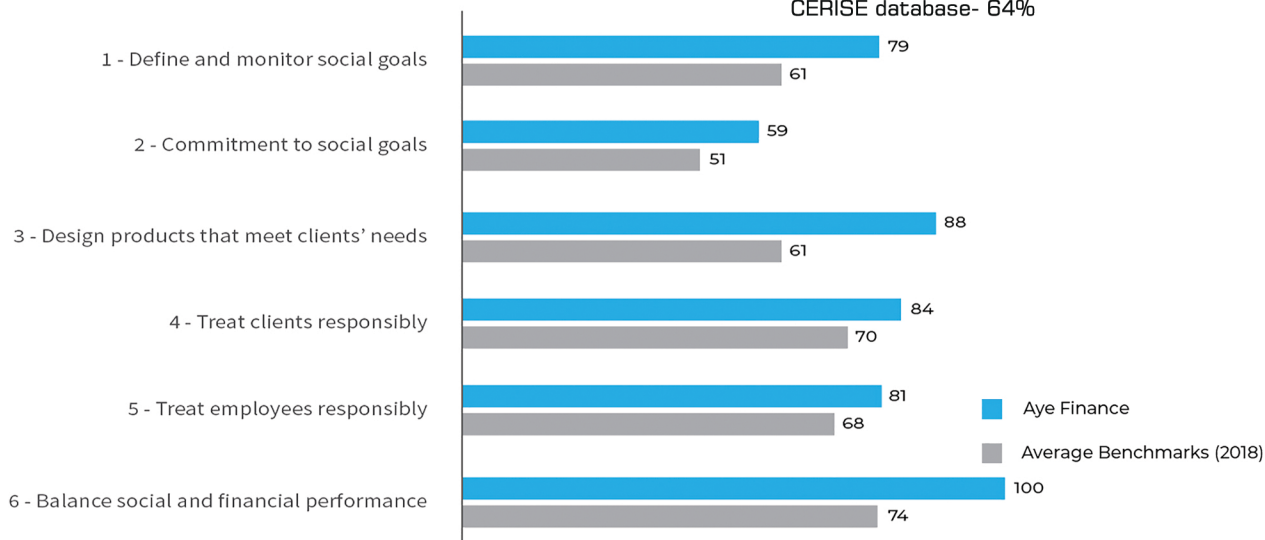
We made our maiden attempt to measure our readiness towards social impact and achieved a score of 82% in the SPI4 audit conducted by Cerise – France.

Aye Finance has been recognized at many leading corporate awards, Facebook Startup Day Award, Skoch Order of Merit, Economic Times Financial Inclusion Initiative of the year are some of the industry recognitions we received during the year.



AYE FINANCE SOCIAL DASHBOARD

SPI4 Score for Aye Finance - 82%
Average Audit Score of 272 Organizations in CERISE database- 64%





A FORWARD LOOK

“Improving productivity, lowering funding costs, simplifying processes and automating are key threads that will run through the initiatives in all departments”

The coming year will see our strategic focus on:

1. Improving our efficiencies. We are reaching material scale and it is a great time to simultaneously ensure that we eliminate leakages in income streams or expense outgoings. Improving productivity, lowering funding costs, simplifying processes and automating are key threads that will run through the initiatives in all departments.

2. Establishing and leveraging data sciences. We have set up a specialized team to leverage Data sciences and Artificial intelligence. Our ability to collect rich cluster based data through our field teams and the mentorship from Google under their Launchpad programs are harbingers of some exciting leadership work in this space.

3. Employee engagement. We have done well on this aspect and we shall continue to improve further. The deployment of HRMS system this year and use of various employee blogs and workgroups will help us maintain our position as a preferred place to work.

4. Customer connect. We will expand our business to West and East regions in India and this will grow our branch network and our business footprint in India. The start of the 'beyond finance' initiatives and the focus on improving and optimizing customer retention will enable us to continue to delight our customers. This will also help us deliver the social impact in a meaningful manner.

Based on these programs, we hope to continue our trajectory of growth. New geographies, new branches, enlarged team and improvements in operating processes should translate into superior financial outcomes.

Sanjay Sharma
(Managing Director)



विपदी धैर्यमथाभ्युदये क्षमा सदसि वाक्पटुता युधि विक्रमः ।
यशसि चाभिरूचिर्व्यसनं श्रुतौ प्रकृतिसिद्धमिदं हि महात्मनाम् ॥



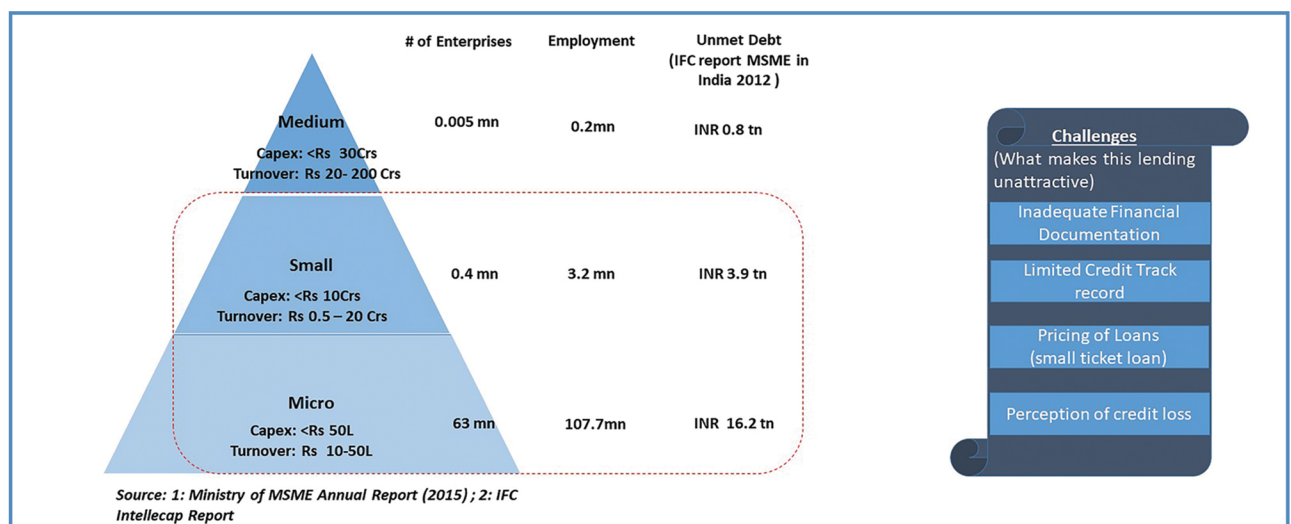
'Courage in adversity, patience in prosperity, oratory in assembly, bravery in battle, keeping the commitment even in fame, attachment to knowledge, all these are naturally found in the great persons.'

BUSINESS HIGHLIGHTS

THE BIG PROBLEM FOR SMALL BUSINESS

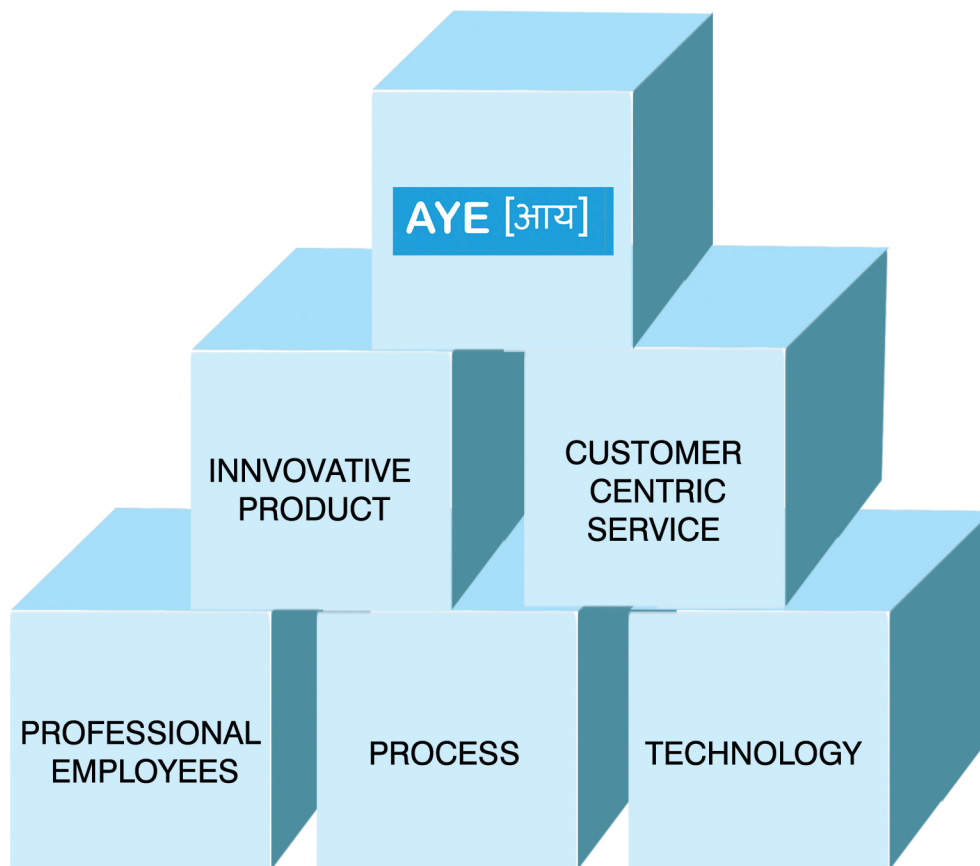
The 60 million micro enterprises that form bottom of the pyramid businesses are being increasingly looked upon as the next major driver of the new Indian success story. Apart from providing employment to rural and urban India, the sector supports the development of new age entrepreneurs which hold the potential to create globally competitive businesses. And yet they contribute today, 37% (as per the quarterly report by SIDBI and CRISIL 2018) to the National GDP while their counterparts in leading economies like China and USA contribute almost 60% to the GDP of the country. World Bank lists access to adequate capital as the primary reason behind the arrested development of MSMEs in the developing economies. For India it could not be more true, what with the MSMEs facing a credit deficit of over INR 16 trillion. (IFC Report 2012).

Micro enterprises in India find access to formal credit a challenge with nearly 40 per cent of lending happening through informal sources. This is primarily because the traditional financial system in India limits itself to the traditional ways of addressing the market needs. While they are to some extent limited by the older legacy systems, the real obstacle is their resistance to use new uncharted methods to take a new shot at the unaddressed markets. To make a risk selection they require formal business documentation, bank statements, collateral, and in India most of the micro business owners use paper receipts to scribble payments and receivables, seldom have credit histories and have no assets to offer as security. The small ticket size of their loan requirement also makes these businesses an unattractive customer for Banks and formal lending channels. Added to this the Micro enterprises lack the sophisticated understanding and wherewithal required to access formal financing facilities and often, have to settle for unregulated individual lenders, charging inflated interest rates.

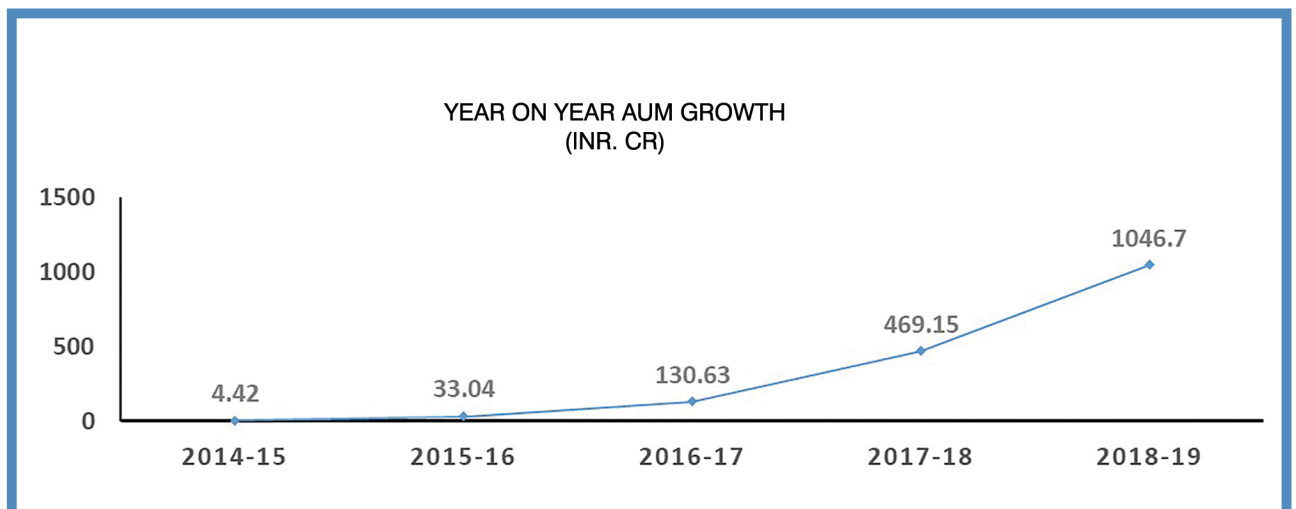
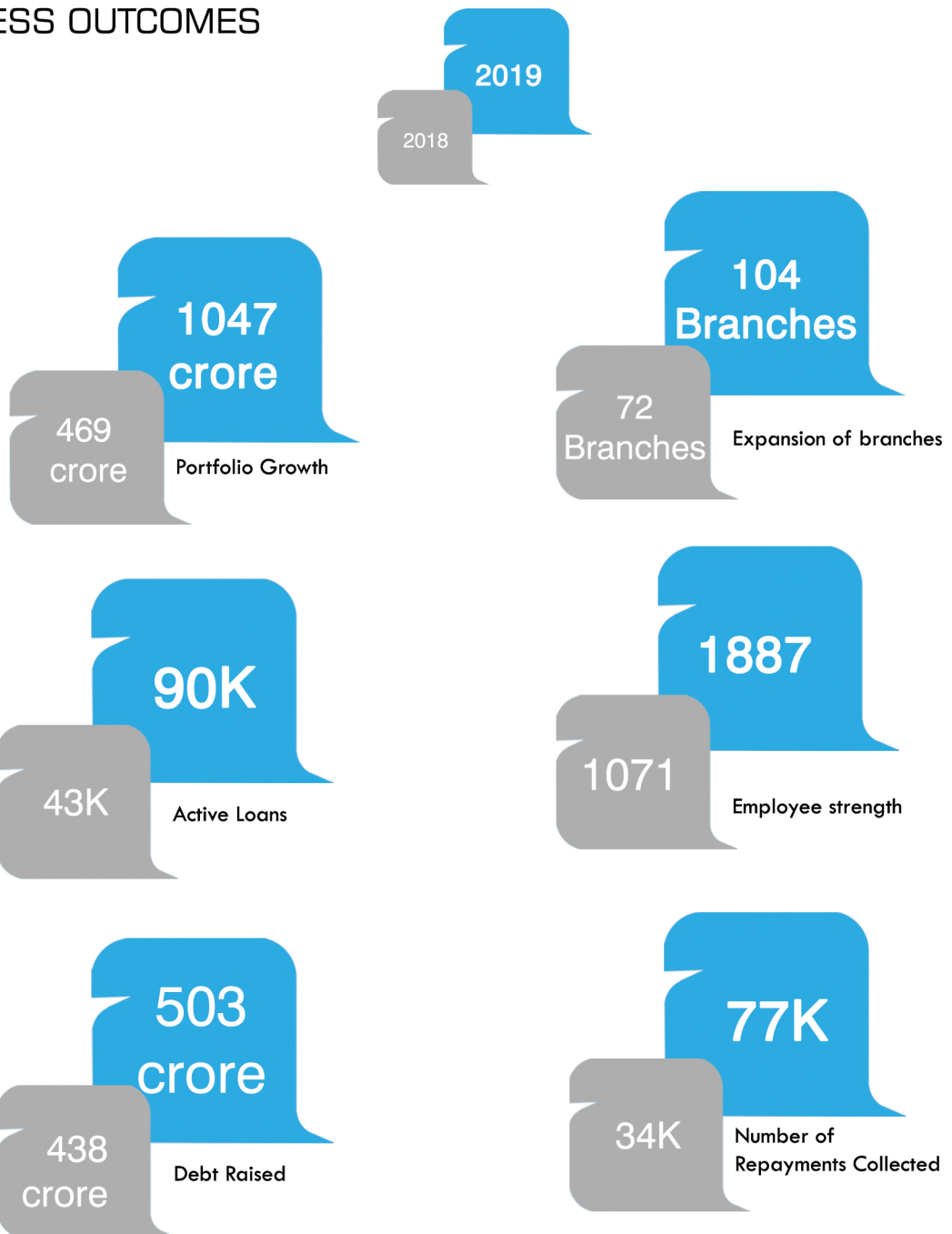


OUR MISSION

To provide innovative and customer centered financial services to micro and small businesses through knowledgeable team effective technology and robust processes, to power their growth into the new age India.



BUSINESS OUTCOMES





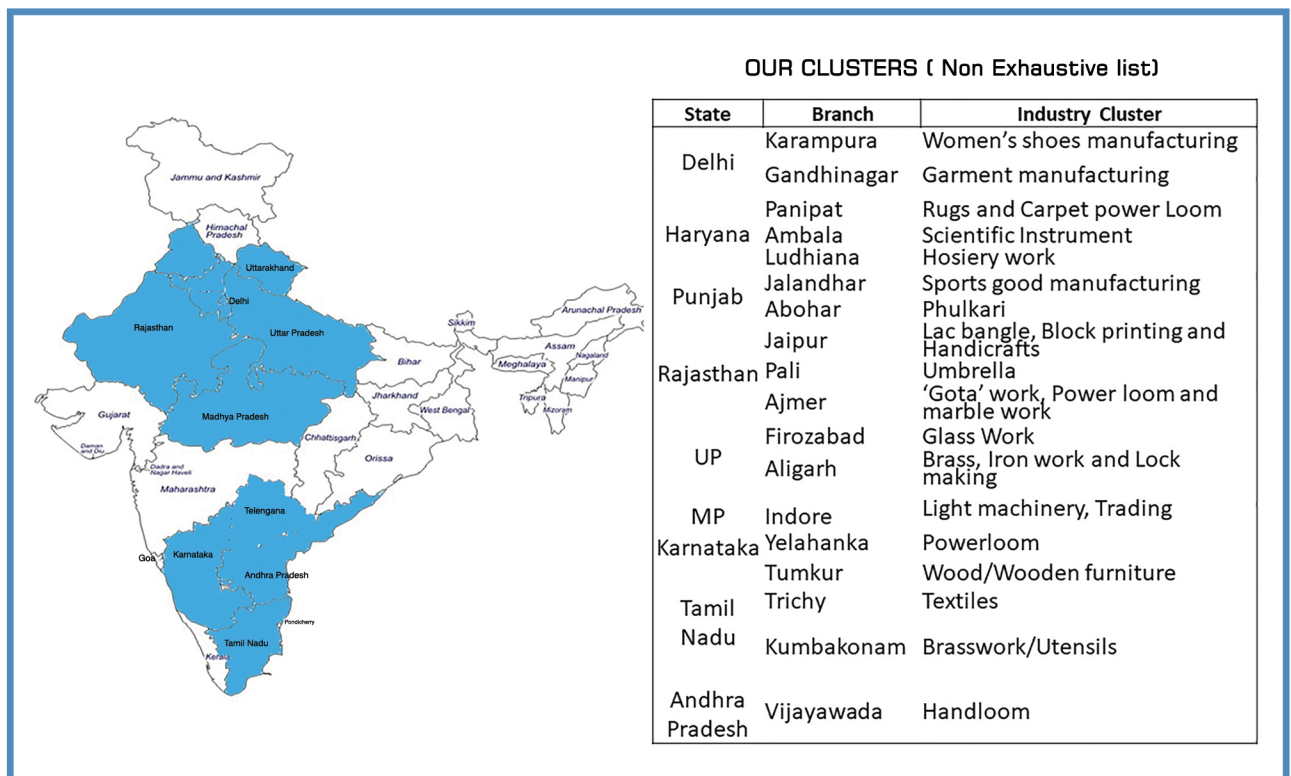
BUSINESS CLUSTERS –A LENS TO TARGET OUR CUSTOMERS

Clusters are sectoral and geographical concentrations of enterprises that produce and sell a range of related or complementary products and, thus, face common challenges and opportunities

Aye has solved the intractable problem of providing adequate credit to micro enterprise even in the absence of good financial or banking records and without prior credit bureau history, and designed a data driven underwriting technique "Cluster Based Credit Assessment".

This methodology is an outcome of the detailed survey of 350 businesses in 5 Indian clusters that was conducted by our founders before the inception. The survey revealed the similarity in the cash flow patterns, business cycles, raw material sourcing avenues, marketing channels etc. of the micro businesses operating in these clusters. This gave them an idea of utilizing cluster specific metrics to assess credit worthiness of the businesses.

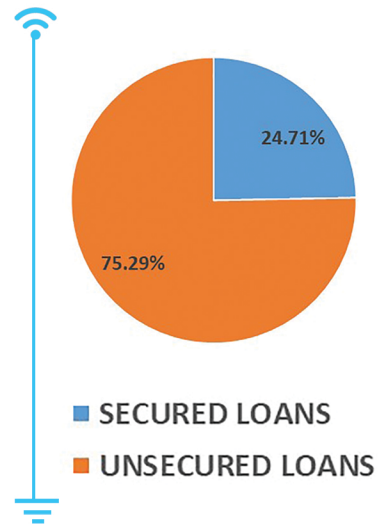
Our "Cluster-Based Credit Assessment" methodology since then has been further honed through improved understanding of business clusters and the use of data analytics. This innovative Cluster based Credit Methodology has allowed us to make sound lending decisions and offer business loans that are of significant value to the Indian micro entrepreneur and enable their economic transformation. This approach not just helps in easing the access to credit for the micro businesses, it also contributes towards strengthening the entire ecosystem under which these units operate, including their ancillaries which support the medium and large enterprises.



PRODUCT – SIMPLE AND CENTRED ON CUSTOMER NEED

Our product line has been kept simple and unintimidating as for majority of our customers this is their first time accessing formal lending channels to meet their funding needs. Our product suite has also been designed to fit the unique needs of the microenterprise segment which does not have collateral to offer and needs small ticket size loans for a short tenor to match the seasonality of their businesses.

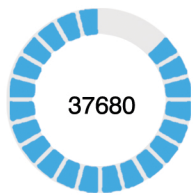
Most of our loans are used for working capital by customers. They are hence of a short duration (6 months to 24 months typically). We have loan products that cater to business owners who can provide property collateral as well as those who cannot. The interest rates range from 19% to 28% (reducing balance) depending on the size of the loan, availability of collateral and the risk assessment of borrowers..



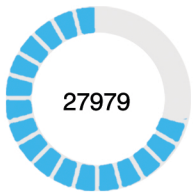
PARAMETER	HL	QML	ML	DAIRY LOAN
TENURE(MONTHS)	6-36 MONTHS	UPTO 48 MONTHS	UPTO 72 MONTHS	24 MONTHS
LOAN AMOUNT(INR)	INR .05 TO .40 MIn	INR .05 TO .60 MIn	INR .05 TO 2.5 MIn	INR .05 TO .20 MIn
COLLATERAL	WK CAPITAL & MACHINE	PROPERTY	PROPERTY MORTGAGE	WK CAPITAL



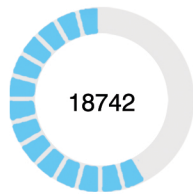
TRAINING MANDAYS



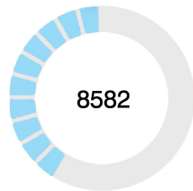
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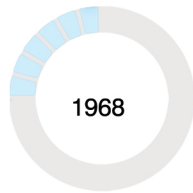
2017-18



2016-17



2015-16



2014-15

EMPLOYEES

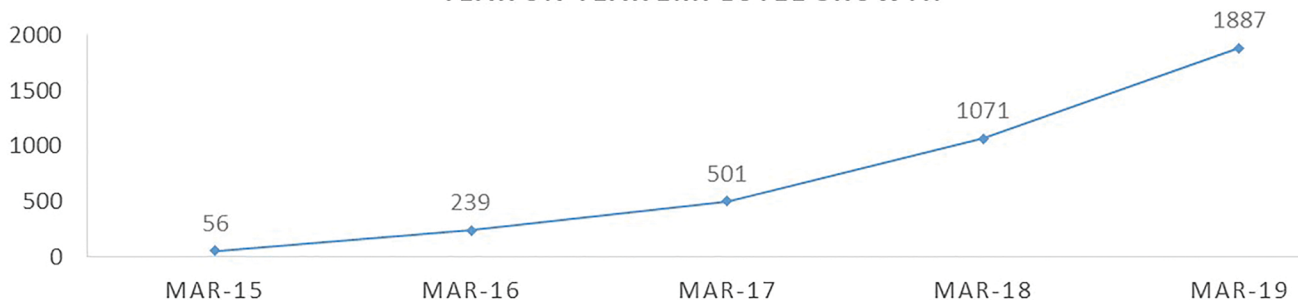
HIRING

At Aye we are invested into a highly engaged team that has rallied around the vision to transform micro scale enterprise financing in India. Our organization aims to be admired by all our stakeholders. We recruit quality candidates suited to our current and long term business objectives of enabling the financial inclusion of micro enterprises in India. Tapping the right talent is key to our business and thus we have developed a model of hiring that is highly agile, diverse and adaptive. Our integrated model of hiring and closely monitored hiring matrices ensure that we hire high-quality talent.

TRAINING & MENTORSHIP

This year we made a big leap towards making our trainings more interactive through digital training programs. Our ILM (knowledge) app is live on mobile and all employees have access to learning modules on their mobiles (Android, iOS as well as web). This mobile app helps employees have all required information at their immediate disposal. Our Learning Management system, available on mobile as well as desktop, has several attractive attributes like animated quizzes, flash cards, training through e-modules/videos, etc.

YEAR ON YEAR EMPLOYEE GROWTH



RECOGNITION & ENGAGEMENT

We run a high energy program for recognizing and rewarding our achievement oriented employees regularly. These are opportunities to praise employees formally in front of the organization and to thank them for their dedicated hard work. Our highly engaged team also enjoys celebrating the success of the Company, their colleagues as well their own achievements. Celebrations can often be on the spur of a milestone and can be as simple as a round of samosas and jalebis from the nearby shop.

LEADERSHIP TEAM

Extending loans to the microenterprise segment poses many challenges, and a major hurdle we faced when we began operations was building a team of leaders who were socially motivated and who would accept a reasonable compensation for the hard job of operating in the microenterprise lending.

We started with a team of 4 employees who shared our mission of creating an inclusive ecosystem for the grassroots businesses and today, five years hence, we have created a pool of talented leaders who are rallied around the vision to become an admired financial institution with a leadership position in micro enterprise lending. Aye is working to live up to its vision not just through the use of innovative data models and technology but also because of the support of its engaged team that focuses untiringly on customer delight,



AWARDS GIVEN IN 2018-19



Paramveer Award



Mahaveer Award



Shoorveer Award



'Aye Ka Tara' Award



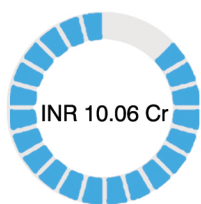
Service Excellence Award



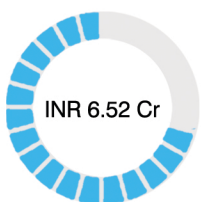
'Cha Gaye' Award



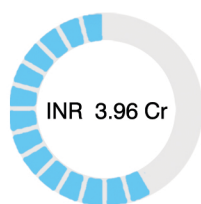
AUM PER BRANCH



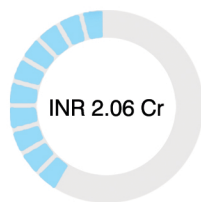
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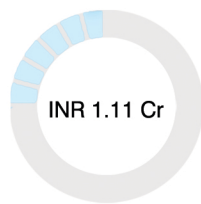
2017-18



2016-17



2015-16



2014-15



PROCESS

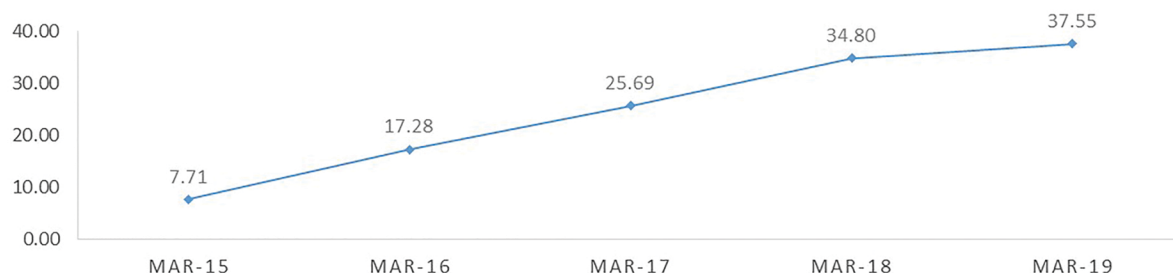
ASSISTED FINTECH APPROACH

Our business Loans are powering the economic transformation of microenterprises and their stakeholders. These businesses have struggled to raise capital to fund their enterprises as they maintain asymmetrical business documentation and seldom have prior credit histories. Also, these 63 million businesses at the bottom of the hierarchy of MSME, have not yet adapted to the digitization of financial services and often operate in towns with lower internet penetration. But we believe that this should not be a reason to let these micro scale enterprises stay excluded from the benefits of fintech. To mirror the comfort of the Indian micro entrepreneur we use an “assisted fintech- approach” to offer credit lines to this historically excluded segment. We have set up a low-cost branch network to deliver a high touch origination experience to the micro-entrepreneur, while using a cloud-based business process engine and variety of data models and optimally automated underwriting and collections processes to maintain economies of scale our small ticket size loans. This fusion approach has provided us among the lowest unit cost of loan origination for business lending in India, and a low rate of delinquencies.

UNDERWRITING

Our underwriting methodology is designed to overcome the challenges of lending to thin file customers and offer this critical sector lines of credit to support and power their growth. Our proprietary “Cluster-Based Credit Assessment” methodology coupled with various alternate data analytical models and psychometric tests have enabled us to bring a vast majority of micro businesses, otherwise snubbed from traditional financing due to their strict and non-flexible credit norms, into the folds of the formal economy. Data analytics is also used to continually improve understanding of the clusters and customers and make our underwriting processes more efficient.

LOANS PER EMPLOYEE



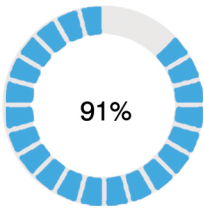
REPAYMENT & COLLECTION

Collection is an important and essential part of the customer loan cycle. Aye has an effective and robust collection strategy which is designed to maintain the quality of our loan book. Our field teams and dedicated relationship officers at each branch mentor our customers to move to digital methods of repayment and handhold them through the entire loan cycle. The customers are educated on the benefits of meeting their payment obligations every month which also allows us to extend our relationship and offer enhanced loan products and services. Also, we have multiple touch points during the loan cycle which has contributed substantially to preserve the asset quality and keeping our NPAs lower than the industry standards. Our strategy of sourcing customers through our own channels has also helped us maintain a good asset quality.

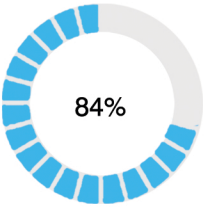
DIVERSIFIED FUNDING

Our ability to scale-up a profitable and sustainable business has been validated by the support from our funding partners. And this year, when the NBFC Sector in India was facing a liquidity crisis, Aye continued to raise funds, equity as well as debt, at competitive rates to fund its rapid growth. We closed two rounds of equity, Series C & D and raised INR 380 Crores adding CapitalG, Falcon Edge Capital & MAJ Invest to our accomplished investor suite. We also raised over INR 500 Cr in debt from a diversified set of debt partners.

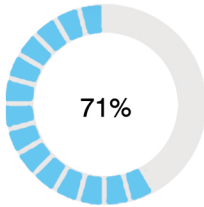
% ACH MANDATE YEAR BY YEAR



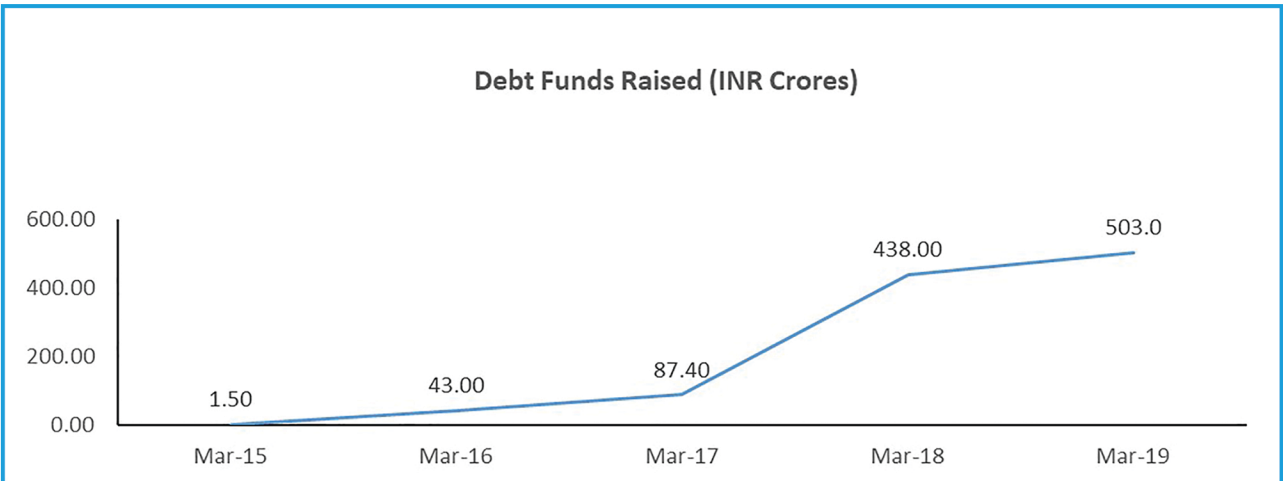
March-19



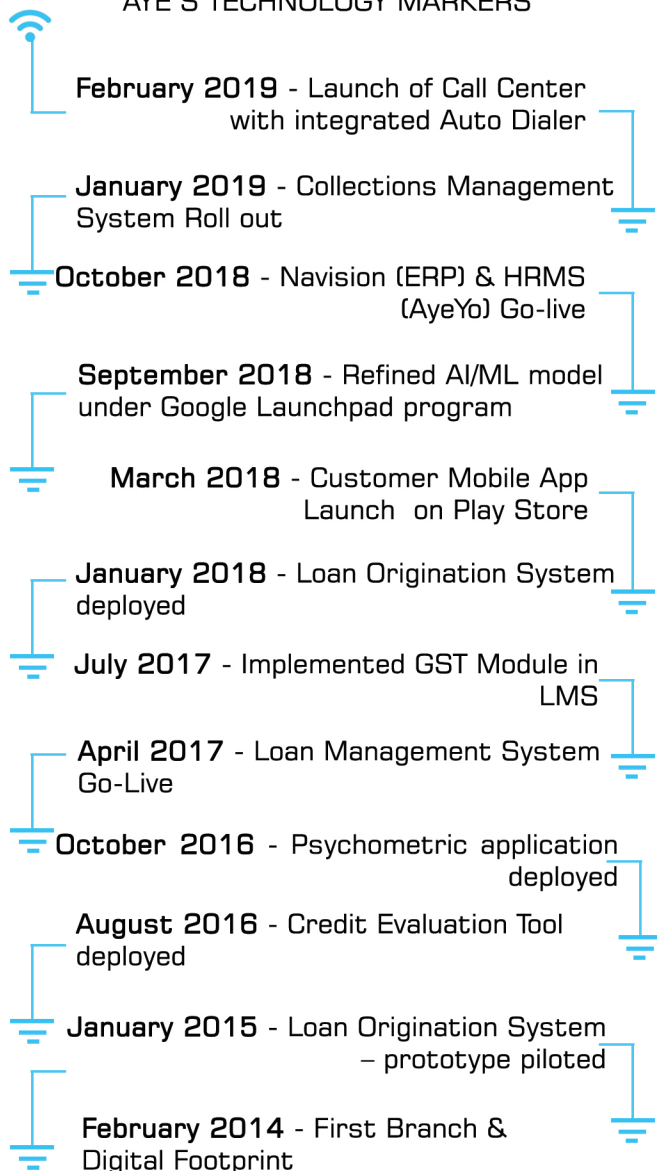
March-18



March-17



AYE'S TECHNOLOGY MARKERS



TECHNOLOGY

CORE SYSTEM AUTOMATION

Aye's growth in the MSME Lending space rides over a sound technology foundation and with its lean structure, effective use of technology and highly data driven underwriting, Aye has been successfully bridging the gap between micro enterprises and formal lending. We have designed systems that cater to the unique needs of the financially excluded micro enterprises and this year we took a giant leap forward in enhancing our core processes to further improve access to credit to these bottom of the pyramid businesses. We launched 3 major systems and automated our Lead Management, Collection Management and Human Resource Management processes. We deployed the Data Warehouse architecture to automate and standardize MISs across all functions to improve controls and productivity.

This year, under the mentorship of Google and CapitalG, our teams started working on a machine learning algorithm to make our underwriting processes and risk management more robust and efficient. The successful deployment of these ML models will help Aye scale up faster and bring more businesses under the folds of formal economy.



MOBILITY BASED PLATFORM FOR FIELD SERVICING

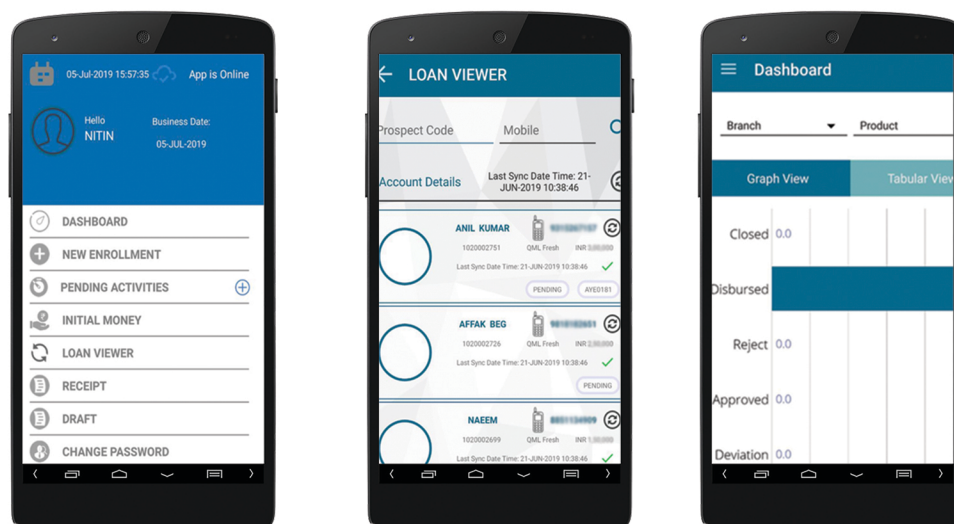
After deploying our proprietary data driven “Cluster based Credit Assessment” methodology to assess the credit worthiness of this unbanked and credit starved sector, this year we took another leap forward and leveraged the power of mobility to deliver faster credit right at the door step of these micro businesses. We equipped our entire field team with an android based loan application workflow, which works on the cloud infrastructure facilitating a low cost operation that helps the inclusion of a larger number of grassroots businesses into the folds of organized lending. This platform integrates the entire loan process from customer enrolment, underwriting, monitoring and disbursal, allowing for improved accuracy and turnaround times. Our analytics powered “Cluster Based Credit Assessment” methodology has been built into this technology platform which allows us to make sound lending decisions with thin file applicants. The platform is also helping us make the last mile connect with the micro entrepreneurs who have not completely adapted to the digitization of credit services.

DATA SECURITY AND CUSTOMER RIGHTS

To restrict the access to and to secure the customer data and documents, we have installed powerful security measures at each step of the loan process. As the sourcing of data of our customers is done through a native app, we have installed security measures that protect it in local devices. We use containerization to restrict access to customer data & documents. And as soon as the data is synced to our Central Data Base, we clear the data from the mobile device. To safeguard the customer data on the devices on which it is captured and in our internal processing unit, we have implemented a data leakage policy as well as various softwares which restricts data transfers out of our network. Our CDC lies on the AWS cloud and access to this database is controlled through device based restrictions and VPN for specific users through individual login credentials.



OUR MOBILITY PLATFORM



AWARDS AND RECOGNITION

GREAT PLACE TO WORK

We are ranked 53rd in the Top 100 Best Places to Work by the globally renowned Great Place to Work Institute. We are also amongst the best places to work in the NBFC segment as well as in the top 20 best places to work in the BFSI Segment.



FACEBOOK START UP DAY AWARD Building For the Next Billion

Facebook Startup Day Awards celebrate India's entrepreneurial spirit and recognized those startups that are game-changers in their field through their innovations.

ECONOMIC TIMES BFSI AWARD FOR FINANCIAL INCLUSION INITIATIVE OF THE YEAR

The awards recognizes the best-of-the-best practices of the BFSI Industry based on Strategy, Security, Customer Service, and Technology innovation.



SKOCH ORDER OF MERIT For our Innovative Cluster-Based Credit Assessment Methodology.

Skoch Group is India's leading think tank dealing with socio-economic issues with a focus on inclusive growth since 1997. The SKOCH Order of Merit Award is given in the field of governance, finance, technology, economics and social sector.

TOP 50 START UPS OF THE YEAR Presented by Facebook

The award recognizes the progress made by 50 most exciting startups of the year.



SUPER STARTUP ASIA

The award recognizes excellence in the Asian start-up world. The nomination process includes extensive research of companies that create buzz and make an impact. It is an award chosen by netizens of the world as at the end of the day, the success of a startup depends on how resonant its product / service is among the masses.

We are a a young organization, which has chosen to create a work culture that treats each employee with respect, actively encourages their professional growth and builds pride in the team.

Great
Place
To
Work.®

Certified

INDIA



न कश्चिदपि जानाति किं कस्य श्वो भविष्यति ।
अतः श्वः करणीयानि कुर्यादब्रह्मैव बुद्धिमान् ॥

anur

No one knows what will happen tomorrow.
So, wise people do today what should be done tomorrow.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD



SANJAY SHARMA
MANAGING DIRECTOR

Sanjay Sharma heads the organization and directly oversees its HR, Strategy, Risk and Finance functions. He has been in Consumer Banking for over 25 years. Pioneered the start of direct banking channels in HSBC and HDFC Bank in India. Led the operations and service team that launched consumer lending business at ICICI in 1999. As Country Head for Credit Cards at ICICI grew the nascent business to profitability. Led the Life Insurance Underwriting, Claims, Operations & Service teams at Max New York Life Insurance Co. Set up Tamweel plc in 2003 and grew it to become the largest housing finance company in UAE with over USD 3bn in mortgage assets. As its CEO-International, was instrumental in getting the awards the Best Mortgage Bank from Banker Middle East and 4th most admired Financial Institution in the Region by Gulf Business. He is Alumnus of IIT-Mumbai(1983) and IIM-Bangalore(1987)

Vikram leads the Business Development, Distribution, Service Quality, Collection and Facilities functions. Has over 20 years of experience in banking industry in India and Overseas and has held senior leadership positions for Distribution and Sales at HDFC Bank and National Bank of Oman (Oman, UAE, and Egypt). He setup the Retail Liability distribution at IDBI Bank as Country head for Liability Sales and was Business Head for Western Region at DCB Bank. At Ujjivan (MFI), he was COO for North India and led the turnaround of the Region's business to a profitability on the back of portfolio growth while keeping credit losses well below industry benchmarks. He is the Alumnus of FORE School of Management (1994)



VIKRAM JETLEY
EXECUTIVE DIRECTOR



Vivek joined SAIF in 2011. Prior to this, he was the Head of the India Contact Centers for Dell Inc. In the past, he has served as the C.F.O. for Standard Chartered and the Wholesale Bank at ANZ Grindlays India. Vivek holds a degree in chemical engineering from BITS Pilani and a M.B.A. from the University of Iowa.

VIVEK MATHUR
NOMINEE DIRECTOR
SAIF PARTNER



VIKAS RAJ
NOMINEE DIRECTOR
ACCION

Vikas is Managing Director at Venture Lab, leading the group's work on investments, in addition to managing portfolio relationships and driving the strategy and growth of Venture Lab. Prior to joining Accion, Vikas was an M&A investment banker at Evercore Partners, where he advised on multiple corporate transactions with aggregate value of over \$45 billion across the technology, real estate, consumer products and industrials sectors. Previously, Vikas worked in microfinance, primarily in India, at Ujjivan and Catalyst Microfinance Investors (CMI). Vikas also co-led Columbia Business School's student-run Microfinance Investment Fund. Vikas has a bachelor's degree from the University of Pennsylvania and an MBA from Columbia University.

Rajat is Investment Director at LGT Impact Ventures (LGTIV), the impact investment arm of LGT Bank, the world's largest private asset manager. Rajat leads all facets of LGT IV's investment process and portfolio management. Apart from Aye Finance, he serves on boards of Varthana and MyDentist. Rajat joined LGT IV in 2012 with prior experience in private equity investing, consulting, and business strategy. He previously worked with BTS Investment Advisors (a mid-growth stage India focused PE firm), CRISIL Advisory (a Standard & Poor's company) and Reliance Infrastructure. Rajat has an MBA from Jamnalal Bajaj Institute of Management Studies and a BE from Delhi College of Engineering.



RAJAT ARORA
NOMINEE DIRECTOR
LGTIMPACT



Sumiran joined CapitalG in 2015. Prior to CapitalG, Sumiran worked at Providence Equity Partners where he focused on growth and private equity investments in the technology and media sectors. Sumiran holds a B.A. from Dartmouth College.

SUMIRAN DAS
NOMINEE DIRECTOR
CAPITALG

Navroz serves as the Chief Executive Officer, Co-Founder, and Partner at Falcon Edge Capital, LP. Prior to Falcon Edge, Navroz was an investment professional in Eton Park's Emerging Markets team in London. Prior to joining Eton Park, Navroz graduated from Harvard Business School (MBA, Distinction). Before that he spent time at both JP Morgan (private equity) and Goldman Sachs, where he was an investment banker in the Financial Institutions Group and worked on the firm's internal strategy team. Navroz graduated from Columbia University (BA, English) and subsequently completed a Law Degree (MA, Law) at Oxford University, which he attended as a Rhodes Scholar from India.



NAVROZ DARIUS UDWADIA
NOMINEE DIRECTOR
FALCON EDGE



N.K MAINI
INDEPENDENT DIRECTOR

Mr. N K Maini has 38 years experience in Commercial and Development Banking in various facets of financing MSMEs & Large Corporate, Micro Credit and Core Business functions. Mr. Navin Kumar Maini was a Deputy Managing Director, in-charge of the Small Industries Development Bank of India (SIDBI), the premier financial institution for micro, small and medium enterprises (MSMEs) of India. He has retired as DMD in-charge of SIDBI in February, 2015. He has also served on the Board and also chairman, of (i) SIDBI Venture Capital Ltd. (ii) SIDBI Trustee Company Ltd. (iii) India SME Asset Reconstruction Company Ltd and (iv) India SME Technology Services Ltd (v) Credit Guarantee trust for micro and small enterprises. Mr. N K Maini is a graduate from St. Stephen s College, Delhi and holds a Degree in Law from Delhi University. He holds postgraduate degrees in Management (from MDI) and International Trade (from IIFT), besides being a Certified Associate of Indian Institute of Banking & Finance

Professor Kanika Tandon Bhal is Modi Chair Professor at the Department of Management Studies at IIT Delhi. A Ph D from IIT Kanpur and a visiting fellow at Sloan School of Management, she is an expert in behavioural sciences in general and leadership in particular. She has authored books on leadership, culture and ethics and has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects. Besides being a consultant to various organizations like Fifth Central Pay Commission of India, First National Judicial Pay Commission of India, DRDO, UPSC, DGS&D, Ministry of Rural Development, NICD and Ministry of Environment and Forests, she is invited as an expert on Government Committees and is a member of the Academy of Management, USA, Society for Industrial Organization and Psychology and Global Institute of Flexible Systems Management.



PROF. KANIKA TANDON BHAL
INDEPENDENT DIRECTOR



VINAY BAIJAL
INDEPENDENT DIRECTOR

Mr. Vinay Baijal is a distinguished professional having served as CGM at RBI where he has led the various initiatives. As Chief General Manager, Foreign Exchange Department, in RBI, dealt with policy framing and implementation of exchange control in India. Also worked on drafting of FEMA and Rules and Regulation under FEMA. He set up Banking Codes and Standards Board of India, as first CEO, for banks in India. He was a member of the World Bank Task Force on International Standards on Credit Data Reporting and was part of the National Core Committee to deal with FATF Assessment of India in 2009. He was also a member of Study Group on Long Term Issues in International Banking established by Committee on Global Financial Systems of the Bank For International Settlement-July 2009

DIRECTORS' REPORT

To the Members of **Aye Finance Private Limited**

Your Directors have pleasure in presenting their 26th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2019.

BACKGROUND

Aye Finance Private Limited ("AFPL" or "the Company") is a Non Deposit Accepting Non-Banking Finance Company holding a Certificate of Registration from the Reserve Bank of India ("RBI"), dated 27th November, 2015, the Company is engaged in the business to provide finance whether short or long term loan or working capital finance to micro, small and medium scale enterprises and to individuals.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:

Amount in Rupees crores

Particulars	31st March 2019	31st March 2018
Revenue from operations	209.61	79.75
Other income	7.95	2.48
Total revenue	217.56	82.23
Expenses		
Employee benefit expenses	60.20	31.22
Finance costs	72.66	29.44
Depreciation and amortization expenses	2.33	0.86
Other expenses	50.05	18.41
Total expenses	185.24	79.93
Profit before tax	32.32	2.30
Tax Expenses	7.23	-
Profit after tax	25.09	2.30
Earnings per share		
Basic	51.93	4.76
Diluted	11.67	1.40

REVIEW OF OPERATIONS OF THE COMPANY

The Company offers Mortgage Loan, Quasi Mortgage Loan and Hypothecation Loan. The Company has 104 branch offices set up in 11 states. Loans and advances in the balance sheet as on 31st March, 2019 are:

Amount in Rupees crores-

Short term loans and advances from financing activity	497.52
Long term loans and advances from financing activity	490.82
Total loans and advances from financing activity	988.34

In the next financial year 2019-20, the Company plans to continue its growth journey by opening more than 60 branches across states, and further investing in technology to optimize operating costs and improve collection efficiency.

RESERVE

The Company is required to create a statutory reserve under Section of 45IC of RBI Act, 1934 and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. During FY 18-19 an amount of Rs.5.02 Crores has been transferred to such reserve. An amount of Rs. 0.40 Crores has been transferred to Share option outstanding account during FY18-19.

DIVIDEND

During the year under review, the company has earned a Profit after Tax of Rs. 25.09 crores. The Board of Directors do not recommend any dividend for FY 2018-19.

CAPITAL STRUCTURE

During the year under review, the Company has received Foreign Direct Investment in the following manner-

- i. **INR 147.00 Crores (Series C)**-The Company allotted a total of 57,36,809 in Shares/CCPS on June 19, 2018. These shares/CCPS were subscribed to and paid by the two of the existing investors, namely SAIF Partners India V Ltd and LGT Capital Invest Mauritius PCC with cell E/VP along with a new foreign investor CapitalG LP, which was earlier called as Google Capital.
- ii. **INR 234.00 Crores (Series D)**-The Company allotted a total of 54,75,089 in Shares/CCPS on March 06, 2019. These shares/CCPS were subscribed to and paid by the two of the existing investors, namely LGT Capital Invest Mauritius PCC with cell E/VP and CapitalG LP along with a new foreign investor MAJ Invest Financial Inclusion Fund II K/S and Falcon Edge India I LP.

As on 31st March, 2019 Authorized capital of our Company was Rs. 28 Crores, Issued Capital was Rs. 27.60 crores and Subscribed and Paid-up capital was Rs. 27.04 crores.

BORROWINGS

During FY 2018-19, the Company met its funding requirements through debts from Financial Institutions and Banks and issuance of Non-Convertible Debentures to the tune of Rs. 460 crores. The aggregate debt outstanding as on 31st March, 2019 was Rs. 708.18 crores (Long term-Rs. 575.58 crores and short term-Rs. 132.60 crores). The Company has been regular in servicing all its debt obligations.

PUBLIC DEPOSITS

Our Company is a Non-Deposit accepting Non-Banking Finance Company and has not accepted any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

RISK MANAGEMENT

Risk management is an integral part of the Company's business strategy. The risk management process is governed by the enterprise wide risk management framework which is overseen by the senior management. They review compliance with risk policies, monitor risk tolerance limits, review and analyze risk exposure related to specific issues and provides oversight of risk across the organization.

The risk management framework covers integrated risk management mainly comprising Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Credit Risk management structure includes documented credit policies and procedures for each financial product and service of the business. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover risk assessment for new product offerings. Concentration Risk is managed by diversifying into different geographies and sectors.

Risks associated with frauds are mitigated through fraud risk monitoring procedures. Fraud risk is monitored through oversight by senior management, who review matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

INTERNAL CONTROL SYSTEM

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Apart from an in-house Internal Audit department, the Company has appointed KPMG to assist the Audit Department of the Company for the financial year 2018-

19. The Company's internal control system is commensurate with the size, nature and operations of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Even though the Company was not required to undertake any CSR activity in the Financial Year 2018-19. However the Company took steps towards the CSR initiative of the Company i.e. incorporating a Wholly-owned subsidiary of the Company in the name of Foundation for advancement of Micro Enterprises (FAME). The Board of Directors has also approved the investment Rs. 25 Lakhs in the wholly-owned subsidiary of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory and the external consultants and the reviews performed by Management and the relevant Committees, including the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The Whistle Blower Policy is available on website of the Company. (www.ayefin.com).

AUDITORS & AUDITORS' REPORT

The auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No. 117366W/W-10018 allotted by The Institute of Chartered Accountants of India (ICAI), who have been appointed for the period of 5 years from financial year 2015-16 to 2019-20, subject to ratification of members at every annual general meeting of the Company.

Ratification of appointment of Auditors for FY19-20 is placed for consideration of members in the ensuing Annual General Meeting of the Company.

M/s. Brajesh Kumar & Associates has been appointed as Secretarial Auditors of the Company for the year under review.

The Auditors report and Secretarial Audit report for the financial year 2018-19 does not contain any qualifications, reservations or adverse remarks. Auditors Report and the notes on Financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. Secretarial Audit Report for the year under review is attached as **Annexure A**.

FRAUDS REPORTED BY AUDITORS u/s 143 OF THE COMPANIES ACT, 2013

No such case has been reported by the Auditors in their report.

NUMBER OF MEETINGS OF THE BOARD

The Board met 15 times during the year under review. The meetings were held on following dates-

09-05-2018, 22-05-2018, 31-05-2018, 19-06-2018, 16-07-2018, 30-08-2018, 05-09-2018, 01-10-2018, 13-11-2018, 14-12-2018, 11-02-2019, 18-02-2019, 25-02-2019, 06-03-2019, 19-03-2019.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. During the year under review following changes have been made in the Board of Directors and Key Managerial Personnel of the Company were as below-

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Kanika Tandon Bhal	Independent Director	06944916	17/05/2018	-	Appointment
Ashish Sharma	CFO	BCFPS4680A	19/06/2018	-	Appointment
Kaushik Anand Kalyana Krishnan	Director	07719742	26/06/2018		Appointment
Ashish Garg	Alternate Director	08270332	17/11/2018		Cessation
Ashish Garg	Alternate Director	08270332	09/11/2018	-	Appointment
Vinay Baijal	Independent Director	07516339	21/02/2019	-	Appointment
Navroz Darius Udwadia	Director	0008355220	12/03/2019	-	Appointment
Kaushik Anand Kalyana Krishnan	Director	07719742	19/03/2019	26/06/2018	Cessation
Sumiran Das	Director	0008357729	28/03/2019	-	Appointment

Disclosure under Section 197 (12) of the Companies Act, 2013 is attached herewith as **Annexure B**.

DECLARATION OF INDEPENDENCE

During the year under review, the Company has received Declaration of Independence from Mr. Navin Kumar Maini, Ms. Kanika Tandon Bhal and Mr. Vinay Baijal, Independent Directors of the Company which is in compliance with Section 149(6) of the Companies Act, 2013.

COMMITTEES OF THE BOARD

As at year end, the Board of Directors of the Company has following committees:

Type of Committee	Members
Audit Committee	Mr. Navin Kumar Maini, Chairman and Independent Director
	Ms. Kanika Tandon Bhal, Independent Director
	Mr. Rajat Arora, Director
Risk Committee	Mr. Navin Kuma Maini, Chairman and Independent Director
	Ms. Kanika Tandon Bhal, Independent Director
	Mr. Vivek Mathur, Director
Asset and Liabilities Committee (ALCO)	Mr. Sanjay Sharma, Chairman of the Committee and Managing Director
	Mr. Vikram Jetley, Whole-time Director
	Mr. Vivek Mathur, Director
	Mr. Rajat Arora, Director
	Mr. Abhishek Agrawal, Representative of Accion Africa-Asia Investment Company
	Mr. Ashish Sharma, Chief Financial officer
Nomination and Remuneration Committee	Ms. Kanika Tandon Bhal, Chairperson of the Committee and Independent Director
	Mr. Navin Kumar Maini, Independent Director
	Mr. Vikas Raj, Director
Working Committee of ALCO	Mr. Sanjay Sharma, Chairman of the Committee and Managing Director
	Mr. Vikram Jetley, Whole-time Director
	Mr. Ashish Sharma, Chief Financial officer
Information Technology Steering Committee	Mr. Sanjay Sharma, Chairman of the Committee and Managing Director
	Mr. Vikram Jetley, Whole-time Director
	Mr. Ashish Ojha-Head IT
	Ms. Manisha Rai-Head Product
	Mr. Piyush Maheshwari, Regional credit Head
	Mr. Vinod Kumar, Information security Manager
Information Technology Strategy Committee	Mr. Kaushik Anand Kalayana Krishnan, Chairman of the Committee and Director
	Mr. Sanjay Sharma, Managing Director
	Mr. Ashish Sharma, Chief Financial officer
	Mr. Ashish Ojha-Head Information Technology
	Mr. Ravinder Oberoi-Head of Audit & Vigilance

COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations and guidelines issued by RBI such as Capital Adequacy, Net Owned Funds, provisioning for Non-Performing Assets and for Standard Assets, Concentration of Credit and Investment, filings, etc. The Capital Adequacy Ratio ("CAR") of the Company was 44.52% as on March 31, 2019.

NOMINATION AND REMUNERATION POLICY

The Company has adopted Nomination and Remuneration Committee policy which looks after company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. Nomination and remuneration policy of the Company is published on website of the Company (www.ayefin.com).

REGULATORY ACTION/APPROVAL

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable on the Company.

HUMAN RESOURCES

As on March 31, 2019 the company had 1892 permanent employees at its branches, Regional office and Head office. The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The company enjoyed excellent relationship with workers and staff during the year under review.

ENERGY CONSERVATION & TECHNOLOGY ABSORPTION**CONSERVATION OF ENERGY:**

The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce the consumption of energy. In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipment.

TECHNOLOGY ABSORPTION:

The Company has seen successful implemented Lead Management, Loan Origination, Collection Management, Navision ERP and Data Warehouse systems. The company has also adopted the policies as per the RBI mater directions applicable on Systemically Important NBFCs. With new systems in place, the Company has achieved seamless flow of data across various systems, making information flow faster, more robust and reliable. The company has also set up the Data Science department.

The initiatives by Data Science and Artificial Intelligence (DSAI) department are focusing on use cases to help data-driven decision-making using data-insights, AI/ML models, and intelligent automation of processes. In addition to a couple of initial projects including a machine learning model for behavioral scoring of customers. The Company has also initiated working on streamlining and collating data from multiple systems and sources into a coherent repository – a data lake which would be a key enabler infrastructure for many of the future DSAI projects allowing seamless access to most of the data generated across the organization in a timely manner.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has NIL foreign exchange earnings during the year under review. The Company has incurred following expenditure in foreign currency during the year under review-

Name of the Foreign Party	Amount paid in INR	Currency	Foreign Currency amount (FCY)	Purpose of payment
PETTELAAAR EFFECTENBEWAARBEDRIJ F NV	9,810,825.89	EURO	1,21,807.95	Compensation Fees
MICRO VEST EDF MASTER FUND, LTD.	1,166,892.00	USD	16,911.48	Processing fees for issuing Non-convertible debenture of the Company
MICRO VEST SHORT DURATION FUND, LP	1,166,892.00	USD	16,911.48	Processing fees for issuing of Non-convertible

				debenture of the Company
ACCION INTERNATIONAL	452,000.00	USD	6,538	Training expense
Goodwin Procter	3,536,500.00	USD	50,000	Professional services
Microvest Capital Management LLC	304,442.00	USD	4,464.29	Due Diligence fees

PERFORMANCE EVALUATION

Performance appraisal framework was formulated by the Nomination and Remuneration Committee (NRC) and adopted by the Board. NRC has evaluated the performance of the Board as a whole and the Committees of the Board. The Board in consultation with the NRC has evaluated the performance of the Individual Directors (including Independent Directors and Non-Executive Directors).

ANNUAL RETURN

Annual Return under Section 92(3) of the Act and the Companies (Management & Administration) Rules, 2014, will be published at website of the Company www.ayefin.com post the ensuing Annual General Meeting of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company decided to incorporate a wholly owned subsidiary of the Company in the name of Foundation for advancement of Micro Enterprises (FAME) for undertaking CSR activities of the Company. The Board of Directors of the Company decided to invest INR 25 lakhs by acquiring shares in the wholly owned subsidiary.

PARTICULARS OF RELATED PARTY TRANSACTIONS

Details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188 (1) of the Act, in the prescribed Form No. AOC-2, is attached as **Annexure C**.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment.

There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. During the year ended 31 March, 2019, three cases were reported was reported to the committee and all these cases have been disposed by the Committee.

ACKNOWLEDGEMENT

Your Board of Directors wish to place on record their sincere appreciation for the continued support and cooperation of the shareholders, bankers, various regulatory and government authorities and employees of the Company. Your support as shareholders and members of the company is greatly valued for us. Board acknowledges your continued association and support in the growth of the organization.

For and on behalf of the Board of Directors of

Aye Finance Private Limited

Sd/-

(Sanjay Sharma)
Managing Director
DIN:03337545

Sd/-

(Vikram Jetley)
Whole-time Director
DIN:06530212

Date: September 30,2019

Place: Gurugram

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule

No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

AYE Finance Private Limited
M-5, Magnum House-I,
Community Centre,
Karampura,
New Delhi-110015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and corporate practices adhered by Aye Finance Private Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

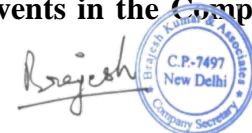
Based on my/our verification of books, papers, minute books, forms and returns filed, Website and other records maintained by the Company and also the information provided by the Company, its office (Company Secretary) during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



BRAJESH KUMAR & ASSOCIATES
COMPANY SECRETARIES

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Indirect Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable, the company not issue)**
 - (d) The Securities and Exchange Board of India (Shares Based Employee Benefit Regulation), 2014; **(Not Applicable)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company not registered as Registrars or Shares Transfer Agents)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as no reporting events during period under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable as no reporting events in the Company during period under review)**



BRAJESH KUMAR & ASSOCIATES
COMPANY SECRETARIES

- (i) Other regulation as applicable and (Circular and Guideline issue therein)
- (vi) the other law and regulation applicable on the company mention below:
 - (a.) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (b.) Specific requirement for NBFC under RBI Acts, Regulations, Directions, Notifications and amendments form time to time by RBI.
 - (c.) Specific provision of Labour Law

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to the directors of the Company as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. **(Some Board Meeting held with short notice)**



BRAJESH KUMAR & ASSOCIATES
COMPANY SECRETARIES

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes. **(There is no dissenting note was present in minutes).**

I/we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. **(At Present, the Company Secretary monitors compliance under Compliance Committee)**

I/we further report that during the audit period the company has issue of debentures through private placement, etc.

I / we further discuss and inform as advice on various areas for improvement and better compliance the various applicable laws.

I / we further enclosure an advisory note on various areas for improvement and better compliance the various applicable laws.



Place: Delhi

Signature:

Date: 15/07/2019

Brajesh Kumar & Associates:

Firm Registration No: I2007DE575400

FCS No.: 6965, CP No.:7497

BRAJESH KUMAR & ASSOCIATES
COMPANY SECRETARIES

Annexure-I:

S. No	Compliance Requirement (Regulations/Circulars/ Guidelines including specific clause	Deviation	Observation/ Remarks of the Company Secretary
	NIL	NIL	NIL

There is no other observation on the compliance; we have not issued any advisory note.



Annexure B

Disclosures in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Remarks
1.	The ratio of the remuneration* of each director to the median remuneration of the employees of the company for the financial year	FY 2017-18: <ul style="list-style-type: none"> Managing Director-49 Whole-time Director-45
2.	Percentage increase in remuneration* of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	FY 2016-17 to FY 2017-18: <ul style="list-style-type: none"> Managing Director- 98.27% Whole-time Director- 80.17% Chief Financial officer- 48.51% Company Secretary- 41.57%
3.	Percentage increase in the median remuneration* of employees in the financial year;	(0.87%)
4.	The number of permanent employees on the rolls of company	1892 as on 31 st March 2019
5.	Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase in the salaries of: <ul style="list-style-type: none"> employees other than the managerial personnel – 82.32% managerial personnel – 71%.
6.	Affirmation that the remuneration* is as per the remuneration policy of the company	The Board adopted Nomination and Remuneration policy of the Company in the current financial year. The remuneration given to Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary are in confirmation with their contract of employment.
7.	Names of the top ten employees in terms of remuneration drawn and the name of every employee, who-	
	<ul style="list-style-type: none"> if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; 	Nil
	<ul style="list-style-type: none"> if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; 	Nil

	<ul style="list-style-type: none"> if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. 	Nil
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*** Remuneration for this calculation includes Annualised Fixed Annual Cash Salary and Annual bonus**

Aye Finance Private Limited

(Sanjay Sharma)
Managing Director
DIN: 03337545

(Vikram Jetley)
Whole-time Director
DIN:06530212

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub
section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any
			NIL			

Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any
1	Accion International (Parent Company of Accion Africa-Asia Investment Company)	Training expenses paid	One time expense	Paid training expense of Rs. 4,57,627/- to Accion International	Ratified in the Board meeting dated 20th May, 2019	Rs. 4,57,627
2	Strategic Resources (Wife of Mr. Sanjay Sharma, Managing Director)	Hiring partner for leading positions	Fees is paid per closed position (1 closed position year till date)	Fees is paid per closed position (1 closed position year till date).	Ratified in the Board meeting dated 20th May, 2019	-
3	Sanjay Sharma, Managing Director	Purchased an Air Conditioner from the Company 20-August-2019 (Asset No.- FA000130)	One time	Air conditioner has been sold at its written down value of Rs. 17,556. Hence, there was no profit/loss on such sale.	Ratified in the Board meeting dated 20th May, 2019	-
4	ACCION Technical Advisors India (Sister Concern of Accion Africa-Asia Investment Company)	Availing of technical services or reimbursement of any transaction or any other transaction	-	Tour and travelling expense of Rs. 3,83,856	25th September, 2017	-

For Aye Finance Private Limited

Sd/-
Sanjay Sharma
(Managing Director)
Din: 03337545

Sd/-
Vikram Jetley
(Whole-time Director)
Din: 06530212

AUDITED FINANCIAL REPORT

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 March 31, 2019, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") 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 (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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.

Sr. No.	Key Audit Matter	Auditor's Response
1	Identification of and provisioning for non-performing assets (loans) in accordance with the RBI guidelines The Company has gross advances amounting to ₹ 988 crores as at March 31, 2019. These advances are exposed to credit risk as part of its financing activities and operations. Identification of and provisioning for non-performing	Principal audit procedures performed Our audit was focused on income recognition, asset classification and provisioning pertaining to advances and related disclosures due to the materiality of the balances and associated impairment provisions. Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and

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	<p>assets (loans) in accordance with relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances (herein after referred as "Relevant RBI guidelines") is a key audit matter due to the current procedures which requires manual interventions and level of regulatory, other stakeholders focus. Accordingly, there is an inherent risk that the financial statements and related disclosure requirements are key parameters over which the NBFC is evaluated may contain material misstatements or are not prepared in accordance with relevant RBI guidelines as at the year end.</p>	<p>provisioning pertaining to advances. In particular:</p> <ul style="list-style-type: none"> ▪ we have analysed and understood the Company's internal control system as well as the related RBI regulations regarding income recognition, asset classification and provisioning pertaining to advances, including specific communications from RBI; ▪ we have analysed and understood key IT systems/ applications used and tested the design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and IT dependent manual controls in relation to income recognition, asset classification and provisioning pertaining to advances; ▪ we have carried out appropriate analytical procedures; ▪ verified sample of advances on a test check basis in accordance with Standards on Auditing specified under section 143 (10) of the Companies Act, 2013 to examine the validity of the recorded amounts, loan documentation, examine the operations of the accounts, revenue recognition for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances; and ▪ examined the governance process and review controls over impairment provision calculations and discussed the provisions made with senior management including the Managing Director, Chief Financial Officer
2	<p>Identification of key IT application, databases and operating systems that are relevant to our audit and conducted a risk assessment</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the Information Technology [IT] System due to the pervasive nature and complexity of the IT environment, the large volume of daily transactions and the reliance on automated and IT dependent manual controls. Thus, there exists a risk that gaps in the IT control environment could result in the</p>	<p>Principal audit procedures performed</p> <p>We conducted a risk assessment and identified key IT applications, databases and operating systems that are relevant to our audit; General IT controls design, and operation: Tested the samples of key controls operating over the relevant IT applications /systems, including system access (with specific focus on controls over privileged access) and programme/system change management, program development and computer operations.</p> <ul style="list-style-type: none"> ▪ User access controls operation: We obtained management's evaluation of the access rights granted to applications relevant to financial accounting and

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	<p>financial accounting and reporting records being materially misstated.</p>	<p>reporting systems and tested resolution of a sample of exceptions. We also assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <ul style="list-style-type: none"> ▪ Further, we conducted specific testing procedures in the area of password protection, security settings regarding modifications for applications, databases, and operating systems, the segregation of specialist department and IT users and the segregation of employees responsible for program development and those responsible for system operations. ▪ We also tested automated business cycle controls and report logic for system generated reports relevant to the audit mainly pertaining to the Loan Management System (LMS), for completeness and accuracy. ▪ In cases where certain IT controls were not effective, we identified and tested additional compensating controls for implementation and operating effectiveness as well as testing other compensating evidence.
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's report and Annual report but does not include the financial statements and our auditor's report thereon. The Director's report and annual report is expected to be made available to us after the date of this Auditor's report.
- Our opinion on the 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report and annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the

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Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 skepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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.

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- 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

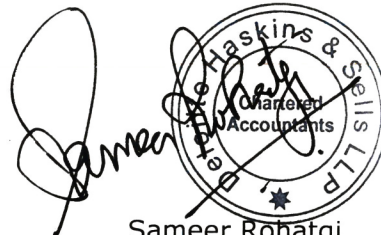
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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- g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Sameer Rohatgi
Partner
Membership No. 094039

Place: Gurugram
Date: May 20, 2019

Deloitte Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aye Finance Private Limited ("the Company") as of March 31, 2019 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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

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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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W- 100018)



Sameer Rohatgi

Partner

Membership No. 094039

Place: Gurugram

Date: May 20, 2019

Deloitte Haskins & Sells LLP

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company were physically verified during the year by the Management in accordance with a regular program of physical verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans under provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

We have been informed that the operations of the Company during the year did not give rise to any liability for Sales Tax, Excise Duty and Customs Duty.

Deloitte Haskins & Sells LLP

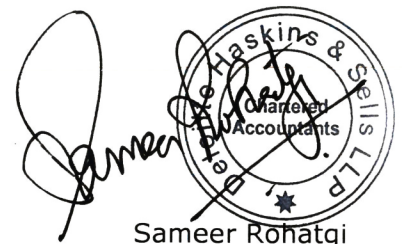
- (c) There are no dues of Income-tax, Service Tax and Goods and Service Tax, as on March 31, 2019 on account of any disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans from government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of non-convertible debentures and preference shares during the current year.

In respect of the above private placement of non – convertible debentures and preference shares, we further report that:
 - a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

Deloitte Haskins & Sells LLP

- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the required registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)



Sameer Rohatgi
Partner
Membership No. 094039

Gurugram
May 20, 2019

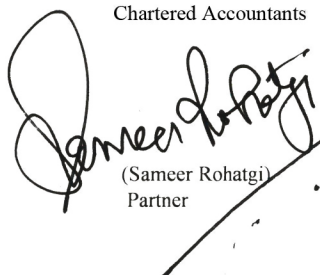
Aye Finance Private Limited
Balance Sheet as at March 31, 2019


	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	27,04,28,540	15,83,08,560
(b) Reserves and surplus	4	4,68,44,64,611	73,55,12,350
		<u>4,95,48,93,151</u>	<u>89,38,20,910</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	5,75,58,07,400	3,26,02,15,569
(b) Long-term provisions	6	12,14,48,157	3,67,44,801
		<u>5,87,72,55,557</u>	<u>3,29,69,60,370</u>
3 Current liabilities			
(a) Short term borrowings	7	16,30,12,118	6,00,00,000
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	8	5,57,450	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	9,98,81,653	4,10,04,167
(c) Other current liabilities	9	1,44,81,87,923	81,00,37,012
(d) Short-term provisions	10	15,58,26,863	4,47,31,910
		<u>1,86,74,66,007</u>	<u>95,57,73,089</u>
TOTAL		<u>12,69,96,14,715</u>	<u>5,14,65,54,369</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	11.A	3,09,90,060	2,27,98,279
(ii) Intangible assets	11.B	95,06,846	2,09,246
(iii) Capital Work in progress		<u>9,47,694</u>	<u>1,16,65,335</u>
		<u>4,14,44,600</u>	<u>3,46,72,860</u>
(b) Long-term loans and advances	12	4,98,46,87,135	2,30,91,94,507
(c) Other non-current assets	13	15,55,72,372	3,06,50,412
(c) Deferred tax asset	30	<u>6,86,26,226</u>	<u>-</u>
		<u>5,25,03,30,333</u>	<u>2,37,45,17,779</u>
2 Current assets			
(a) Current investments	14	68,08,29,655	40,71,28,295
(b) Cash and cash equivalents	15	1,55,74,00,992	24,67,34,095
(c) Short-term loans and advances	16	5,04,34,88,720	2,04,31,53,533
(d) Other current assets	17	<u>16,75,65,015</u>	<u>7,50,20,667</u>
		<u>7,44,92,84,382</u>	<u>2,77,20,36,590</u>
TOTAL		<u>12,69,96,14,715</u>	<u>5,14,65,54,369</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.


For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

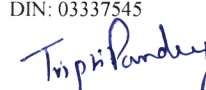

(Sameer Rohatgi)
Partner




Gurugram
May 20, 2019

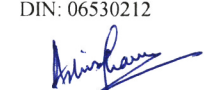
For and on behalf of the board of Directors


Sanjay Sharma
Managing Director
DIN: 03337545


Tripti Pandey
Company Secretary
M. No. - 32760

Gurugram
May 20, 2019


Vikram Jetley
Whole-time Director
DIN: 06530212


Ashish Sharma
Chief Financial Officer



Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2019


	Note No.	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
1 Revenue from operations	18	2,09,61,17,626	79,74,67,553
2 Other income	19	7,94,58,331	2,47,93,184
3 Total revenue (1+2)		2,17,55,75,957	82,22,60,737
4 Expenses			
(a) Employee benefits expense	20	60,20,26,989	31,22,00,624
(b) Finance costs	21	72,66,37,767	29,44,13,271
(c) Depreciation and amortisation expense	11.C	2,32,41,892	85,61,318
(d) Other expenses	22	50,05,05,698	18,40,70,974
Total expenses		1,85,24,12,346	79,92,46,187
5 Profit before tax (3 - 4) after tax		32,31,63,611	2,30,14,550
6 Tax expense:			
(a) Current tax expense		14,09,47,888	1,18,60,070
(b) (Less): Minimum Alternate Tax credit		-	(1,18,60,070)
(c) Deferred tax (credit)	30	(6,86,26,226)	-
Net tax expense		7,23,21,662	-
7 Profit for the year (5-6)		25,08,41,949	2,30,14,550
8 Profit/ (Loss) per share (of ₹ 10 each):			
Basic (₹)	29	51.93	4.76
Diluted (₹)	29	11.67	1.39

See accompanying notes forming part of the financial statements

In terms of our report attached.

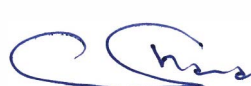
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

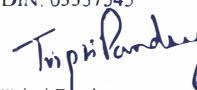

(Sameer Rohatgi)
Partner




Gurugram
May 20, 2019


For and on behalf of the board of Directors


Sanjay Sharma
Managing Director
DIN: 03337545


Tripti Pandey
Company Secretary
M. No. - 32760

Gurugram
May 20, 2019


Vikram Jetley
Whole-time Director
DIN: 06530212


Ashish Sharma
Chief Financial Officer



Aye Finance Private Limited
Cash Flow Statement for the year ended March 31, 2019

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit before tax		32,31,63,611		2,30,14,550
<i>Adjustments for:</i>				
Depreciation and amortisation	2,32,41,892		85,61,318	
Loss on sale of property, plant and equipment	24,762		12,078	
Gain on sale of property, plant and equipment	(29,627)		-	
Gain on sale of current investments	(3,92,61,070)		(1,41,52,704)	
Interest income	(3,42,92,675)		(98,18,539)	
Finance costs	72,66,37,767		29,44,13,271	
Provision for standard, sub-standard and doubtful assets	16,67,68,389		4,14,00,550	
Expense on employee stock option scheme	39,83,626		41,08,179	
Loans and advances written off	7,86,01,645		1,52,21,872	
		92,56,74,709		33,97,46,025
Operating profit before working capital changes		1,24,88,38,320		36,27,60,575
<i>Changes in working capital</i>				
<i>Adjusted for decrease/(increase) in operating assets</i>				
Short term loans and advances	(3,00,03,35,187)		(1,24,35,49,740)	
Long term loans and advances	(2,69,57,41,404)		(1,79,73,71,383)	
Other non current assets	(12,37,75,366)		(54,78,257)	
Other current assets	(8,71,64,963)		(4,51,01,760)	
<i>Adjusted for increase / (decrease) in operating liabilities</i>				
Trade payables	5,94,34,936		1,71,17,906	
Other current liabilities	4,97,29,772		7,62,61,735	
Short-term provisions	7,65,02,218		1,34,91,574	
Long-term provisions	(16,06,83,094)		39,39,967	
		(5,88,20,33,088)		(2,98,06,89,958)
Cash used in operations		(4,63,31,94,768)		(2,61,79,29,383)
Net income tax (paid)		(8,61,06,377)		(69,04,699)
Net cash flow (used in) from operating activities (A)		(4,71,93,01,145)		(2,62,48,34,082)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances and Capital Work in progress		(3,02,37,510)		(2,82,78,258)
Proceeds from sale of fixed assets		2,28,742		82,536
Proceeds from sale of mutual funds		10,11,45,59,709		4,32,72,01,712
Purchase of mutual funds		(10,34,90,00,000)		(4,61,32,69,987)
Bank balances not considered as cash and cash equivalents				
- Placed		(1,85,40,712)		(10,67,26,259)
Interest received on fixed deposits		2,77,66,696		78,31,702
Net cash (used in) investing activities (B)		(25,52,23,075)		(41,31,58,554)
C. Cash flow from financing activities				
Finance costs		-63,59,62,225		(23,75,16,679)
Proceeds from issue of equity shares (including share premium)		68,294		-
Proceeds from issue of preference shares (including share premium)		3,80,61,94,790		-
Proceeds from borrowings		5,66,80,00,000		4,75,76,63,626
Repayment of borrowings		(2,57,16,50,454)		(1,47,73,04,791)
Net cash flow from financing activities (C)		6,26,66,50,405		3,04,28,42,156

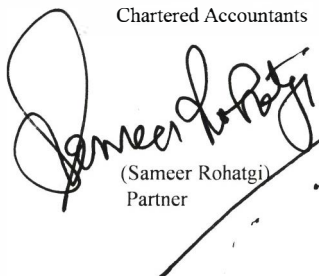
Aye Finance Private Limited
Cash Flow Statement for the year ended March 31, 2019


	For the year ended March 31, 2019	For the year ended March 31, 2018
Net increase in Cash and cash equivalents (A+B+C)	1,29,21,26,185	48,49,520
Cash and cash equivalents at the beginning of the year	11,21,50,908	10,73,01,388
Cash and cash equivalents at the end of the year	1,40,42,77,093	11,21,50,908
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 15	1,40,42,77,093	11,21,50,908
Comprises:		
(a) Cash on hand	1,38,21,966	58,04,239
(c) Balances with banks		
(i) In current accounts	54,04,55,127	10,32,73,542
(ii) In deposit accounts with original maturity of less than three months	85,00,00,000	30,73,127
	1,40,42,77,093	11,21,50,908

See accompanying notes forming part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


(Sameer Rohatgi)
Partner

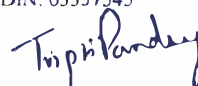


Gurugram
May 20, 2019

For and on behalf of the board of Directors

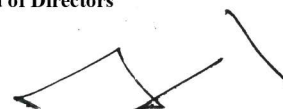


Sanjay Sharma
Managing Director
DIN: 03337545

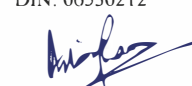


Tripti Pandey
Company Secretary
M. No. - 32760

Gurugram
May 20, 2019



Vikram Jetley
Whole-time Director
DIN: 06530212



Ashish Sharma
Chief Financial Officer



Aye Finance Private Limited
Notes forming part of the financial statements

1 Corporate Information

Aye Finance Private Limited ("AFPL" or "the Company") was incorporated to carry on the business of a finance company and 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 under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 to carry on the business of a Non-Banking Financial Institution (NBFC) without acceptance of public deposits. 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 accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2019.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared on a going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the provisions of the RBI as applicable to an NBFC. The financial statements have been prepared on an accrual basis and under the historical cost convention except in the case of interest on non-performing assets, dishonour charges and penal charges, which are recognised on realisation.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialise.

2.3 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation on all property, plant and equipment is provided on the written down value method over the estimated useful life of assets at the rates specified in Schedule II to the Companies Act, 2013. 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 upto the date of sale deduction and discardment as the case may be.

Intangible assets are amortised over their estimated useful life as follows:

Computer Software - 3 years

Leasehold improvements are amortised over the period of lease.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

2.6 Revenue recognition

Repayment of loans is by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Revenue in respect of interest on loans sanctioned is recognised on accrual basis on the outstanding balance of loans. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is receivable every month on the loan that has been disbursed. Revenue from interest on non-performing assets is recognized on receipt basis in accordance with the prudential norms of the Reserve Bank of India. Any accrued interest on non-performing assets is reversed.

Revenue from processing fee is recognised in the year in which the loan is sanctioned.

Revenue from application fees is recognised at the time of receipt of application.

Income on account of interest on securitisation on loans is recognised as and when EMI is collected from the borrower on securitised portfolio.

Cheque dishonour charges, prepayment penalty, delayed payment charges etc. in respect of loans are recognised on receipt basis.

2.7 Other income

Interest income from bank deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

Profit or loss on sale of mutual funds has been recognised in the year of sale of mutual fund investments

2.8 Fixed assets

Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure relating to Property, plant and equipment is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Intangible Assets:

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset

2.9 Impairment of assets

Whenever events indicate that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting years no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.10 Investments

Investments are classified as long-term or current based on their nature and intended holding period. Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

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

Short term employee benefits :

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits includes compensated absences which are expected to occur within twelve months after the end of year in which the employee renders the related service. The cost of short term compensated absences is accounted in case of non-accumulating compensated absences, when absences occur.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme 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.

Defined benefit plans

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 or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.12 Employee share based payments

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. Employee Stock Options granted on or after 1 November, 2016 are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

2.13 Borrowing Costs

Interest on borrowings is recognized in statement of profit and loss on an accrual basis. Costs associated with borrowings are grouped under financial charges along with the interest costs.

2.14 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.15 Earnings per share

Basic earnings per share is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

2.16 Taxes on income

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are not recognised in the financial statements.

2.18 Good and Service tax input credit

Goods and service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.19 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.

Aye Finance Private Limited
Notes forming part of the financial statements

2.20 Provision for non-performing assets

Provision for non-performing assets is recorded at rates which are equal to or higher than the rates specified by the Reserve Bank of India in their guidelines on prudential norms. During the year, the Company has become systematically important NBFC and thus the provisioning norms have been changed. The rates used by the Company are as follows

Provisioning Policy

<i>Asset Classification</i>	Period of Arrears (in months)	Rates as per Company % of Portfolio	Rates as per RBI % of Portfolio
Standard	0 – 2	0.40	0.40
	3	20	0.40
Sub-standard	4	40	10
	5	60	10
	6	80	10
	7 – 12	100	10
Write- offs	Above 12		

2.21 Material Events

Material events occurring after the Balance Sheet date are taken into cognizance.

2.22 Operating Cycle

Based on the nature of business of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.23 Securitisation

De-recognition of securitised assets in the books of account of the Company and recognition of gain or loss arising on securitisation and accounting for credit enhancement provided by the Company are based on the Revised Guidelines on Securitisation transaction issued by RBI in respect of NBFC.

Securitised assets are derecognised in the books of the Company on the principle of surrender of control over the assets. Minimum Retention Requirement (MRR) by way of investments in Fixed Deposits with Banks is included in Cash and Bank/ Other non current assets.

Residual income on securitization of loans is recognised over the life of the underlying loans and on the basis of agreement with the counterparties.

2.24 Classification of current / non-current liabilities and assets

Liability

A liability has been classified as 'current' when it satisfies any of following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

Asset

An asset has been classified as 'current' when it satisfies any of following criteria:

- a) It is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within twelve months after reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

3. SHARE CAPITAL

	As at March 31, 2019	As at March 31, 2018
	₹	₹
(a) Authorised		
5,000,000 (March 31, 2018: 5,000,000 Shares) Equity shares of ` 10 each with voting rights	5,00,00,000	5,00,00,000
23,000,000 (March 31, 2018: 12,000,000 Shares) 0.01% Compulsorily Convertible Cumulative Preference shares (CCPS) of ` 10 each	23,00,00,000	12,00,00,000
Total	28,00,00,000	17,00,00,000
(b) Issued		
4,830,500 (March 31, 2018: 4,830,300 Shares) Equity shares of ` 10 each with voting rights	4,83,05,000	4,83,03,000
22,772,648 (March 31, 2018: 11,560,850 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ` 10 each	22,77,26,480	11,56,08,500
Total	27,60,31,480	16,39,11,500
(c) Subscribed and fully paid up		
4,830,500 (March 31, 2018: 4,830,300 Shares) Equity shares of ` 10 each with voting rights	4,83,05,000	4,83,03,000
Less: amount recoverable from ESOP Trust (face value of 560,294 shares of ` 10 each held by trust) (March 31, 2018: 5,602,940) [Refer Note 28]	(56,02,940)	(56,02,940)
22,772,648 (March 31, 2018: 11,560,850 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ` 10 each	22,77,26,480	11,56,08,500
Total	27,04,28,540	15,83,08,560

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	₹	No. of Shares held	₹
Equity shares with voting rights				
Balance at the beginning of the year	48,30,300	4,83,03,000	48,30,300	4,83,03,000
Add: Shares issued during the year	200	2,000	-	-
Balance at the end of the year	48,30,500	4,83,05,000	48,30,300	4,83,03,000
0.01% Compulsorily Convertible Cumulative Preference Shares				
Balance at the beginning of the year	1,15,60,850	11,56,08,500	1,15,60,850	11,56,08,500
Add: Shares issued during the year	1,12,11,798	11,21,17,980	-	-
Balance at the end of the year	2,27,72,648	22,77,26,480	1,15,60,850	11,56,08,500

3. SHARE CAPITAL (Con't)

Notes:

(ii) Rights, Preference and Restrictions attached to shares

The Company has only one class of equity shares having par value of ` 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.

- (iii) As on February 20, 2015 the Company issued 2,068,764 0.01% CCPS of ` 10 each fully paid up at premium of ` 19.000021 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A Shareholders Agreement dated January 29, 2015 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company.
- (iv) As on August 14, 2015 the Company issued 880,718 0.01% CCPS of ` 10 each fully paid up at premium of ` 58.1262 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company.
- (v) As on December 21, 2015 the Company issued 1,335,756 0.01% CCPS of ` 10 each fully paid up at premium of ` 58.1262 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company.
- (vi) As on April 25, 2016 the Company issued 719,252 0.01% CCPS of ` 10 each fully paid up at premium of ` 58.1262 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company in equal proportion. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series A1 Shareholders Agreement dated 31st July 2015 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company.
- (vii) As on November 28, 2016 the Company issued 6,556,360 0.01% CCPS of ` 10 each and 100 equity shares of ` 10 each fully paid up at premium of ` 96.7649 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series B Shareholders Agreement dated 13th October, 2016 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP.
- (viii) As on June 19, 2018, the Company issued 5,736,709 0.01% CCPS of ` 10 each and 100 equity shares of ` 10 each fully paid up at premium of ` 246.24 per share. These shares have been allotted between SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series B Shareholders Agreement dated May 24, 2018 executed by the Company with SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP.
- (ix) As on March 06, 2019 the Company issued 54,75,089 0.01% CCPS of ` 10 each and 100 equity shares of ` 10 each fully paid up at premium of ` 416.7 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series D Shareholders Agreement dated 14th February, 2019 executed by the Company with SAIF Partners India V Limited, Accion Africa - Asia Investment Company, LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S.
- (x) The holders of the Series A, Series A1 CCPS, Series B CCPS, Series C CCPS and Series D 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.

Aye Finance Private Limited
Notes forming part of the financial statements

3. SHARE CAPITAL (Con't)

(xi) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No.of Shares held	%	No.of Shares held	%
<u>Equity shares with voting rights</u>				
Sanjay Sharma	10,04,000	20.78%	10,04,000	20.79%
Shankh Corporation LLP	9,00,000	18.63%	9,00,000	18.63%
Shvet Corporation LLP	9,00,000	18.63%	9,00,000	18.63%
Vikram Jetley	7,01,000	14.51%	7,01,000	14.51%
Meera Madhusudan Deshmukh and Kalpana Kiran	61,930	1.28%	2,59,712	5.38%
Aye Finance Employee Welfare Trust	5,60,294	11.60%	5,60,294	11.60%
Namrata Sharma	2,61,965	5.42%	-	-
<u>0.01% Compulsorily Convertible Cumulative Preference shares</u>				
Accion Africa - Asia Investment Company	27,13,451	11.92%	41,88,192	36.23%
SAIF Partners India V Limited	61,59,852	27.05%	45,62,847	39.47%
LGT Capital Invest Mauritius PCC with Cell E/VP	44,77,586	19.66%	28,09,811	24.30%
CapitalG LP	39,37,237	17.29%	-	-
MAJ Invest Financial Inclusion Fund II K/S	18,39,649	8.08%	-	-
Falcon Edge India I LP	36,44,873	16.01%	-	-

4. RESERVES AND SURPLUS

	As at March 31, 2019	As at March 31, 2018
	₹	₹
(a) Securities Premium Account		
Opening balance	83,64,02,771	83,64,02,771
Add: Premium on shares issued during the period	3,69,41,43,102	-
Closing balance	4,53,05,45,873	83,64,02,771
(b) Share option outstanding account		
Opening balance	52,38,549	11,30,370
Add: Deferred stock compensation expense	39,83,626	41,08,179
Closing balance	92,22,175	52,38,549
(c) Statutory reserve under section 45IC of RBI Act		
Opening balance	46,14,260	11,350
Add : Additions during the year	5,01,68,390	46,02,910
Closing balance	5,47,82,650	46,14,260

Aye Finance Private Limited
Notes forming part of the financial statements

4. RESERVES AND SURPLUS (Con't)

	As at March 31, 2019	As at March 31, 2018
	₹	₹
(c) Surplus/ (Deficit) in Statement of Profit and Loss		
Opening balance	(11,07,43,230)	(12,91,43,309)
Add: Profit for the year	25,08,41,949	2,30,14,550
Less: Transfer to special reserves under section 45IC of RBI Act	(5,01,68,390)	(46,02,910)
Less: Dividend on Compulsorily Convertible Cumulative Preference Shares	(16,416)	(11,561)
Closing balance	8,99,13,913	(11,07,43,230)
Total	4,68,44,64,611	73,55,12,350

5. LONG-TERM BORROWINGS

Secured

(a) Term Loan from Banks [Refer Notes (i), (ii) and (iii) below]	42,55,68,075	7,24,52,864
(b) Term Loans from Financial Institutions [Refer Notes (i), (ii) and (iii) below]	63,15,18,298	86,97,62,705
(c) Redeemable Non- Convertible Debentures[Refer Notes (i), (ii) and (iii) below]	4,69,87,21,027	2,31,80,00,000
Total	5,75,58,07,400	3,26,02,15,569

Notes:

- (i) The Company has not defaulted in repayment of loans and interest during the period.
- (ii) An amount of ` 1,163,021,506 (March 31,2018 : ` 665,275,909) relating to instalments on long term borrowings falling due for repayment in next 12 months from reporting date has been disclosed under Other current liabilities (Refer Note 9) as Current maturities of Long term borrowings.

6. LONG-TERM PROVISIONS

(a) Provision for employee benefits:		
(i) Provision for compensated absences	1,56,98,600	97,59,399
(ii) Provision for gratuity [Refer Note 25]	1,91,53,878	78,93,330
(b) Provisions - Others:		
(i) Provision for dividend on CCPS	38,388	21,972
(ii) Provision for standard, sub-standard and doubtful assets [Refer Note 32]	8,57,06,893	1,69,82,771
(iii) Provision for Rent straightlining	8,50,398	20,87,329
Total	12,14,48,157	3,67,44,801

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 120% of the loan amount. Also, 5% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	15.50%	2-May-18	-	-	18,95,086	-
			31-May-18	-	-	19,22,621	-
			2-Jul-18	-	-	19,38,570	-
			31-Jul-18	-	-	19,70,172	-
			31-Aug-18	-	-	21,57,162	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 120% of the loan amount. Also, 5% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	15.50%	1-May-18	-	-	18,76,786	-
			31-May-18	-	-	18,95,723	-
			2-Jul-18	-	-	19,13,132	-
			31-Jul-18	-	-	19,46,805	-
			31-Aug-18	-	-	19,67,317	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 120% of the loan amount.	15.50%	1-Oct-18	-	-	21,10,581	-
			17-Apr-18	-	-	36,20,918	-
			17-May-18	-	-	36,52,528	-
			18-Jun-18	-	-	36,76,197	-
			17-Jul-18	-	-	37,55,764	-
			17-Aug-18	-	-	37,85,466	-
			17-Sep-18	-	-	38,35,299	-
			17-Oct-18	-	-	38,90,827	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 120% of the loan amount.	15.30%	19-Nov-18	-	-	39,30,235	-
			17-Dec-18	-	-	40,45,180	-
			30-Apr-18	-	-	18,98,260	-
			28-May-18	-	-	20,02,167	-
			28-Jun-18	-	-	19,81,595	-
			30-Jul-18	-	-	19,93,485	-
			28-Aug-18	-	-	20,59,297	-
			28-Sep-18	-	-	20,60,008	-
			29-Oct-18	-	-	20,86,777	-
			28-Nov-18	-	-	21,24,317	-
			28-Dec-18	-	-	21,51,031	-
			28-Jan-19	-	-	21,69,450	-
			28-Feb-19	-	-	21,97,641	-
			28-Mar-19	-	-	22,46,598	-
			29-Apr-19	-	-	22,49,533	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 110% of the loan amount.	14.00%	28-May-19	-	-	22,94,454	-
			28-Jun-19	-	-	23,14,439	-
			29-Jul-19	-	-	23,44,514	-
			28-Aug-19	-	-	23,76,980	-
			30-Sep-19	-	-	23,95,832	-
			27-Apr-18	-	-	12,85,671	-
			28-May-18	-	-	13,00,958	-
			27-Jun-18	-	-	13,29,091	-
			27-Jul-18	-	-	13,44,384	-
			27-Aug-18	-	-	13,48,216	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 110% of the loan amount.	14.00%	27-Sep-18	-	-	13,64,247	-
			29-Oct-18	-	-	13,69,870	-
			27-Nov-18	-	-	14,16,901	-
			27-Dec-18	-	-	14,23,133	-
			28-Jan-19	-	-	14,21,542	-
			27-Feb-19	-	-	14,55,866	-
			27-Mar-19	-	-	14,88,377	-
			29-Apr-19	-	-	14,67,819	-
			27-May-19	-	-	15,20,126	-
			27-Jun-19	-	-	15,17,964	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 110% of the loan amount.	14.00%	29-Jul-19	-	-	15,30,433	-

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
			27-Aug-19	-	-	15,64,197	-
			27-Sep-19	-	-	15,72,810	-
			28-Oct-19	-	-	15,91,511	-
			27-Nov-19	-	-	16,13,615	-
			27-Dec-19	-	-	16,32,182	-
			27-Jan-20	-	-	16,49,029	-
			27-Feb-20	-	-	16,68,637	-
			27-Mar-20	-	-	17,25,981	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 110% of the loan amount.	14.00%	2-May-18	-	-	12,84,560	-
			4-Jun-18	-	-	12,58,375	-
			2-Jul-18	-	-	13,40,166	-
			2-Aug-18	-	-	13,16,583	-
			3-Sep-18	-	-	13,20,084	-
			2-Oct-18	-	-	13,71,229	-
			2-Nov-18	-	-	13,64,239	-
			3-Dec-18	-	-	13,80,460	-
			2-Jan-19	-	-	14,06,943	-
			4-Feb-19	-	-	13,94,546	-
			4-Mar-19	-	-	14,57,167	-
			2-Apr-19	-	-	14,64,382	-
			2-May-19	-	-	14,72,797	-
			3-Jun-19	-	-	14,75,127	-
			2-Jul-19	-	-	15,13,461	-
			2-Aug-19	-	-	15,17,971	-
			2-Sep-19	-	-	15,36,021	-
			2-Oct-19	-	-	15,59,275	-
			4-Nov-19	-	-	15,64,040	-
			2-Dec-19	-	-	16,02,801	-
			2-Jan-20	-	-	16,10,480	-
			3-Feb-20	-	-	16,27,069	-
			2-Mar-20	-	-	16,54,785	-
			2-Apr-20	-	-	16,68,652	-
			4-May-20	-	-	17,24,680	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 110% of the loan amount.	14.00%	1-May-18	-	-	12,56,802	-
			31-May-18	-	-	12,55,671	-
			2-Jul-18	-	-	12,40,861	-
			31-Jul-18	-	-	12,98,552	-
			31-Aug-18	-	-	12,85,685	-
			1-Oct-18	-	-	13,00,973	-
			31-Oct-18	-	-	13,29,105	-
			3-Dec-18	-	-	13,07,939	-
			31-Dec-18	-	-	13,82,752	-
			31-Jan-19	-	-	13,64,239	-
			4-Mar-19	-	-	13,69,862	-
			1-Apr-19	-	-	14,26,966	-
			1-May-19	-	-	14,23,241	-
			31-May-19	-	-	14,39,618	-
			1-Jul-19	-	-	14,47,756	-
			31-Jul-19	-	-	14,72,843	-
			2-Sep-19	-	-	14,67,869	-
			1-Oct-19	-	-	15,13,425	-
			31-Oct-19	-	-	15,24,096	-
			2-Dec-19	-	-	15,30,475	-
			31-Dec-19	-	-	15,64,236	-
			31-Jan-20	-	-	15,72,852	-
			2-Mar-20	-	-	15,91,554	-
			31-Mar-20	-	-	16,16,834	-
			1-May-20	-	-	16,29,703	-
			1-Jun-20	-	-	16,49,080	-
			1-Jul-20	-	-	16,69,989	-
			31-Jul-20	-	-	17,20,253	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 100% of the loan amount.	12.50%	30-Apr-18	-	-	23,26,053	-
			29-May-18	-	-	24,44,680	-
			29-Jun-18	-	-	24,08,543	-
			30-Jul-18	-	-	24,34,113	-
			29-Aug-18	-	-	24,88,505	-
			1-Oct-18	-	-	24,30,979	-
			29-Oct-18	-	-	25,92,778	-
			29-Nov-18	-	-	25,39,708	-
			31-Dec-18	-	-	25,41,564	-
			29-Jan-19	-	-	26,42,127	-
			1-Mar-19	-	-	26,21,703	-
			29-Mar-19	-	-	27,16,839	-
			29-Apr-19	-	-	26,78,380	-
			29-May-19	-	-	27,27,401	-
			1-Jul-19	-	-	26,96,465	-
			29-Jul-19	-	-	28,20,584	-
			29-Aug-19	-	-	27,94,341	-
			30-Sep-19	-	-	28,07,201	-
			29-Oct-19	-	-	28,85,499	-
			29-Nov-19	-	-	28,84,443	-
			30-Dec-19	-	-	29,15,066	-
			29-Jan-20	-	-	29,58,884	-
			2-Mar-20	-	-	29,53,712	-
			30-Mar-20	-	-	30,41,321	-
			29-Apr-20	-	-	30,50,876	-
			29-May-20	-	-	30,82,221	-
			29-Jun-20	-	-	31,06,184	-
			29-Jul-20	-	-	31,45,800	-
			31-Aug-20	-	-	31,61,432	-
			29-Sep-20	-	-	32,15,081	-
			29-Oct-20	-	-	32,43,632	-
			30-Nov-20	-	-	32,72,421	-
			29-Dec-20	-	-	33,50,389	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 100% of the loan amount.	12.50%	9-Apr-18	-	-	22,01,773	-
			3-May-18	-	-	25,79,170	-
			4-Jun-18	-	-	23,52,158	-
			3-Jul-18	-	-	24,68,597	-
			3-Aug-18	-	-	24,34,363	-
			3-Sep-18	-	-	24,60,208	-
			3-Oct-18	-	-	25,14,025	-
			5-Nov-18	-	-	24,59,340	-
			3-Dec-18	-	-	26,17,113	-
			3-Jan-19	-	-	25,66,910	-
			4-Feb-19	-	-	25,69,941	-
			4-Mar-19	-	-	26,91,467	-
			3-Apr-19	-	-	26,72,438	-
			3-May-19	-	-	26,99,894	-
			3-Jun-19	-	-	27,07,054	-
			3-Jul-19	-	-	27,55,445	-
			5-Aug-19	-	-	27,27,630	-
			3-Sep-19	-	-	28,29,552	-
			3-Oct-19	-	-	28,40,849	-
			4-Nov-19	-	-	28,38,371	-
			3-Dec-19	-	-	29,14,057	-
			3-Jan-20	-	-	29,15,274	-
			3-Feb-20	-	-	29,46,223	-
			3-Mar-20	-	-	30,01,211	-
			3-Apr-20	-	-	30,09,364	-
			4-May-20	-	-	30,41,313	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
			3-Jun-20	-	-	30,82,356	-
			3-Jul-20	-	-	31,14,024	-
			3-Aug-20	-	-	31,39,384	-
			3-Sep-20	-	-	31,72,713	-
			5-Oct-20	-	-	32,01,925	-
			3-Nov-20	-	-	32,47,138	-
			3-Dec-20	-	-	32,77,125	-
			4-Jan-21	-	-	33,29,399	-
IFMR Capital Finance Private Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 100% of the loan amount.	12.50%	27-Apr-18	-	-	11,54,849	-
			28-May-18	-	-	11,67,110	-
			27-Jun-18	-	-	11,95,420	-
			27-Jul-18	-	-	12,07,701	-
			27-Aug-18	-	-	12,05,013	-
			27-Sep-18	-	-	12,17,806	-
			29-Oct-18	-	-	12,16,468	-
			27-Nov-18	-	-	12,71,349	-
			27-Dec-18	-	-	12,70,561	-
			28-Jan-19	-	-	12,57,656	-
			27-Feb-19	-	-	12,96,536	-
			27-Mar-19	-	-	13,34,066	-
			29-Apr-19	-	-	12,88,619	-
			27-May-19	-	-	13,59,215	-
			27-Jun-19	-	-	13,40,025	-
			29-Jul-19	-	-	13,43,969	-
			27-Aug-19	-	-	13,88,163	-
			27-Sep-19	-	-	13,83,257	-
			28-Oct-19	-	-	13,97,942	-
			27-Nov-19	-	-	14,21,177	-
			27-Dec-19	-	-	14,35,779	-
			27-Jan-20	-	-	14,43,114	-
			27-Feb-20	-	-	14,58,435	-
			27-Mar-20	-	-	14,86,762	-
			27-Apr-20	-	-	14,89,702	-
			27-May-20	-	-	15,10,920	-
			29-Jun-20	-	-	15,11,788	-
			27-Jul-20	-	-	15,50,710	-
			27-Aug-20	-	-	15,54,071	-
			28-Sep-20	-	-	15,67,266	-
			27-Oct-20	-	-	15,92,743	-
			27-Nov-20	-	-	16,04,118	-
			28-Dec-20	-	-	16,21,148	-
			27-Jan-21	-	-	16,39,476	-
			1-Mar-21	-	-	16,23,518	-
Reliance Capital Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 100% of RCL's loan amount. Also, 7.5% of the loan amount is kept under lien in favour of Reliance Capital Limited in the form of Cash Collateral fixed deposits.	15.00%	1-Apr-18	-	-	27,00,245	-
			1-May-18	-	-	27,33,999	-
			1-Jun-18	-	-	27,68,174	-
			1-Jul-18	-	-	28,02,776	-
			1-Aug-18	-	-	28,37,810	-
			1-Sep-18	-	-	28,73,280	-
DCB Bank Limited	Exclusive charge by way of hypothecation of Company's present and future specific receivables to the extent of 120% of DCB bank's loan amount. Also, 10% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	13.50%	30-Apr-18	-	-	7,40,750	-
			31-May-18	-	-	7,40,750	-
			30-Jun-18	-	-	7,40,750	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
RBLBank Limited	First and exclusive charges over the portfolio of the Company upto the extent of 120% of the outstanding amount at any point of time. Also, 10% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	13.25%	30-Apr-18	-	-	62,50,000	-
			31-Jul-18	-	-	62,50,000	-
			31-Oct-18	-	-	62,50,000	-
			31-Jan-19	-	-	62,50,000	-
Hinduja Finance Limited	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount.	13.62%	7-Apr-18	-	-	9,48,330	-
Caspian Impact Investments Pvt Ltd	First charge by way of hypothecation in favour of the lender of all the underlying book debts of the borrower to the extent of 110% of the outstanding facility amount.	16.50%	30-Apr-18	-	-	12,50,000	-
Religare Finvest Ltd	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount. Also, 10% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	15.00%	1-Apr-18	-	-	14,73,301	-
			1-May-18	-	-	14,91,717	-
			1-Jun-18	-	-	15,10,364	-
			1-Jul-18	-	-	15,29,243	-
			1-Aug-18	-	-	15,48,359	-
			1-Sep-18	-	-	15,67,713	-
			1-Oct-18	-	-	15,87,310	-
			1-Nov-18	-	-	16,07,151	-
			1-Dec-18	-	-	16,27,240	-
			1-Jan-19	-	-	16,47,581	-
			1-Feb-19	-	-	16,68,176	-
			1-Mar-19	-	-	16,89,028	-
			1-Apr-19	17,02,247	-	17,10,141	-
			1-May-19	17,24,944	-	17,31,517	-
			1-Jun-19	17,47,943	-	17,53,161	-
			1-Jul-19	17,71,249	-	17,75,076	-
Manappuram Finance Ltd-1	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	14.50%	1-Aug-19	17,94,865	-	17,97,251	-
			1-Sep-19	69,988	-	-	-
			30-Apr-18	-	-	25,00,000	-
			31-Jul-18	-	-	25,00,000	-
			31-Oct-18	-	-	25,00,000	-
			31-Jan-19	-	-	25,00,000	-
Muthoot Financial Services Ltd	Charge by way of hypothecation of Company's specific receivables to the extent of 118% of the principal loan amount.	15.25%	30-Apr-19	25,00,000	-	25,00,000	-
			30-Jul-19	25,00,000	-	25,00,000	-
			28-Jun-18	-	-	83,33,333	-
			28-Sep-18	-	-	83,33,333	-
			28-Dec-18	-	-	83,33,333	-
			28-Mar-19	-	-	83,33,333	-
State Bank of India	First and exclusive charges over the portfolio of the Company upto the extent of 133% of the outstanding amount at any point of time. Also, 25% of the loan amount is kept under lien with the bank in the form of Cash Collateral fixed deposits.	11.15%	28-Jun-19	83,33,333	-	83,33,333	-
			28-Sep-19	83,33,337	-	83,33,337	-
			30-Apr-18	-	-	30,30,304	-
			30-May-18	-	-	30,30,304	-
			30-Jun-18	-	-	30,30,304	-
			30-Jul-18	-	-	30,30,304	-
			30-Aug-18	-	-	30,30,304	-
			30-Sep-18	-	-	30,30,304	-
			30-Oct-18	-	-	30,30,304	-
			30-Nov-18	-	-	30,30,304	-
			30-Dec-18	-	-	30,30,304	-
			30-Jan-19	-	-	30,30,304	-
			28-Feb-19	-	-	30,30,304	-
			30-Mar-19	-	-	30,30,304	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
			30-Apr-19	30,30,304	-	30,30,304	-
			30-May-19	30,30,304	-	30,30,304	-
			30-Jun-19	30,30,304	-	30,30,304	-
			30-Jul-19	30,30,304	-	30,30,304	-
			30-Aug-19	30,30,304	-	30,30,304	-
			30-Sep-19	30,30,304	-	30,30,304	-
			30-Oct-19	30,30,304	-	30,30,304	-
			30-Nov-19	30,30,304	-	30,30,304	-
			30-Dec-19	30,30,304	-	30,30,304	-
			30-Jan-20	30,30,304	-	30,30,304	-
			29-Feb-20	30,30,304	-	30,30,304	-
			30-Mar-20	30,30,272	-	30,30,272	-
Hinduja Leyland Finance Ltd-PLI-1	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	11.35% XIRR	24-Apr-18	-	-	58,33,240	-
			26-May-18	-	-	58,33,380	-
			25-Jun-18	-	-	58,33,380	-
			24-Jul-18	-	-	58,33,240	-
			26-Aug-18	-	-	58,33,380	-
			25-Sep-18	-	-	58,33,380	-
			26-Oct-18	-	-	58,33,240	-
			25-Nov-18	-	-	58,33,380	-
			25-Dec-18	-	-	58,33,380	-
			26-Jan-19	-	-	58,33,240	-
			23-Feb-19	-	-	58,33,380	-
			26-Mar-19	-	-	58,33,380	-
			23-Apr-19	58,33,240	-	58,33,240	-
			26-May-19	58,33,380	-	58,33,380	-
			25-Jun-19	58,33,380	-	58,33,380	-
Hinduja Leyland Finance Ltd-PLI loan 2	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	10.45%	1-May-18	-	-	36,91,414	-
			1-Jun-18	-	-	37,23,560	-
			1-Jul-18	-	-	37,55,986	-
			31-Jul-18	-	-	37,88,694	-
			1-Sep-18	-	-	38,21,687	-
			1-Oct-18	-	-	38,54,968	-
			30-Oct-18	-	-	38,88,538	-
			1-Dec-18	-	-	39,22,401	-
			1-Jan-19	-	-	39,56,558	-
			1-Feb-19	-	-	39,91,014	-
			1-Mar-19	-	-	40,25,769	-
			1-Apr-19	-	-	40,60,826	-
			30-Apr-19	40,96,189	-	40,96,189	-
			1-Jun-19	41,31,860	-	41,31,860	-
			1-Jul-19	41,67,842	-	41,67,842	-
			30-Jul-19	42,04,137	-	42,04,137	-
			1-Sep-19	42,40,748	-	42,40,748	-
			1-Oct-19	42,77,678	-	42,77,678	-
			1-Nov-19	43,14,929	-	43,14,929	-
			1-Dec-19	43,52,505	-	43,52,505	-
			31-Dec-19	43,90,408	-	43,90,408	-
			1-Feb-20	44,28,641	-	44,28,641	-
			1-Mar-20	44,67,207	-	44,67,207	-
			31-Mar-20	45,06,109	-	45,06,109	-
			1-May-20	45,45,350	-	45,45,350	-
			1-Jun-20	45,84,932	-	45,84,932	-
			30-Jun-20	46,24,860	-	46,24,860	-
			1-Aug-20	46,65,134	-	46,65,134	-
			1-Sep-20	47,05,760	-	47,05,760	-
			29-Sep-20	47,46,739	-	47,46,739	-
			1-Nov-20	47,88,075	-	47,88,075	-
			1-Dec-20	48,29,773	-	48,29,772	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
Manappuram Finance Ltd Loan 2	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	12.00%	30-Apr-18	-	-	49,00,151	-
			31-May-18	-	-	49,49,152	-
			30-Jun-18	-	-	49,98,644	-
			31-Jul-18	-	-	50,48,630	-
			31-Aug-18	-	-	50,99,116	-
			30-Sep-18	-	-	51,50,108	-
			31-Oct-18	-	-	52,01,609	-
			30-Nov-18	-	-	52,53,625	-
			31-Dec-18	-	-	53,06,161	-
			31-Jan-19	-	-	53,59,223	-
			28-Feb-19	-	-	54,12,815	-
			31-Mar-19	-	-	54,66,943	-
			30-Apr-19	55,21,612	-	55,21,612	-
			31-May-19	55,76,829	-	55,76,829	-
			30-Jun-19	56,32,597	-	56,32,597	-
			31-Jul-19	56,88,923	-	56,88,923	-
			31-Aug-19	57,45,812	-	57,45,812	-
			30-Sep-19	58,03,270	-	58,03,270	-
			31-Oct-19	58,61,303	-	58,61,303	-
			30-Nov-19	59,19,916	-	59,19,916	-
			31-Dec-19	59,79,115	-	59,79,115	-
			31-Jan-20	60,38,906	-	60,38,906	-
			29-Feb-20	60,99,295	-	60,99,295	-
			31-Mar-20	61,60,288	-	61,60,288	-
			30-Apr-20	62,21,891	-	62,21,891	-
			31-May-20	62,84,110	-	62,84,110	-
			30-Jun-20	63,46,951	-	63,46,951	-
			31-Jul-20	64,10,421	-	64,10,421	-
			31-Aug-20	64,74,525	-	64,74,525	-
			30-Sep-20	65,39,270	-	65,39,270	-
			31-Oct-20	66,04,663	-	66,04,663	-
			30-Nov-20	66,70,709	-	66,70,709	-
			31-Dec-20	67,37,416	-	67,37,416	-
			31-Jan-21	68,04,791	-	68,04,791	-
			28-Feb-21	68,72,839	-	68,72,839	-
			31-Mar-21	69,41,567	-	69,41,567	-
			30-Apr-21	70,10,983	-	70,10,983	-
			31-May-21	70,81,092	-	70,81,092	-
			30-Jun-21	71,51,903	-	71,51,903	-
			31-Jul-21	72,23,422	-	72,23,422	-
			31-Aug-21	72,95,657	-	72,95,657	-
			30-Sep-21	73,68,613	-	73,68,613	-
			31-Oct-21	74,42,299	-	74,42,299	-
			30-Nov-21	75,16,722	-	75,16,722	-
			31-Dec-21	75,91,889	-	75,91,889	-
			31-Jan-22	76,67,808	-	76,67,808	-
			28-Feb-22	77,44,486	-	77,44,486	-
			31-Mar-22	78,21,930	-	78,21,931	-
Fincare Small Finance Bank	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	12.50%	30-Apr-18	-	-	38,28,775	-
			30-May-18	-	-	38,97,207	-
			30-Jun-18	-	-	39,10,797	-
			30-Jul-18	-	-	39,77,426	-
			30-Aug-18	-	-	39,94,542	-
			30-Sep-18	-	-	40,36,950	-
			30-Oct-18	-	-	41,00,806	-
			30-Nov-18	-	-	41,23,344	-
			30-Dec-18	-	-	41,85,300	-
			30-Jan-19	-	-	42,11,552	-
			28-Feb-19	-	-	42,86,875	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
			30-Mar-19	-	-	43,15,612	-
			30-Apr-19	43,37,324	-	43,47,592	-
			30-May-19	44,00,422	-	44,04,618	-
			30-Jun-19	44,40,106	-	44,40,509	-
			30-Jul-19	45,01,059	-	44,95,492	-
			30-Aug-19	45,45,281	-	45,35,377	-
			30-Sep-19	45,98,747	-	45,83,527	-
			30-Oct-19	46,56,389	-	46,35,366	-
			30-Nov-19	46,89,405	-	46,46,769	-
Dewan Housing Finance Limited	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	12.82%	15-May-18	-	-	1,25,00,000	-
			15-Aug-18	-	-	1,25,00,000	-
			15-May-18	-	-	1,25,00,000	-
			15-Feb-19	-	-	1,25,00,000	-
			15-May-19	1,25,00,000	-	1,25,00,000	-
			15-Aug-19	1,25,00,000	-	1,25,00,000	-
			15-Nov-19	1,25,00,000	-	1,25,00,000	-
			15-Feb-20	1,25,00,000	-	1,25,00,000	-
			15-May-20	1,25,00,000	-	1,25,00,000	-
			15-Aug-20	1,25,00,000	-	1,25,00,000	-
			15-Nov-20	1,25,00,000	-	1,25,00,000	-
			15-Feb-21	1,25,00,000	-	1,25,00,000	-
			15-May-21	1,25,00,000	-	1,25,00,000	-
			15-Aug-21	1,25,00,000	-	1,25,00,000	-
			15-Nov-21	1,25,00,000	-	1,25,00,000	-
			15-Feb-22	1,25,00,000	-	1,25,00,000	-
Magma Fincorp Ltd	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount	10.73%	28-Apr-18	-	-	36,14,423	-
			29-May-18	-	-	36,46,727	-
			28-Jun-18	-	-	36,79,320	-
			29-Jul-18	-	-	37,12,203	-
			29-Aug-18	-	-	37,45,381	-
			28-Sep-18	-	-	37,78,856	-
			29-Oct-18	-	-	38,12,629	-
			28-Nov-18	-	-	38,46,704	-
			29-Dec-18	-	-	38,81,084	-
			29-Jan-19	-	-	39,15,772	-
			26-Feb-19	-	-	39,50,769	-
			29-Mar-19	-	-	39,86,079	-
			28-Apr-19	40,21,704	-	40,21,704	-
			29-May-19	40,57,648	-	40,57,648	-
			28-Jun-19	40,93,914	-	40,93,914	-
			29-Jul-19	41,30,503	-	41,30,503	-
			29-Aug-19	41,67,419	-	41,67,419	-
			28-Sep-19	42,04,666	-	42,04,666	-
			29-Oct-19	42,42,245	-	42,42,245	-
			28-Nov-19	42,80,160	-	42,80,160	-
			29-Dec-19	43,18,414	-	43,18,414	-
			29-Jan-20	43,57,010	-	43,57,010	-
			27-Feb-20	43,95,950	-	43,95,950	-
			29-Mar-20	44,35,239	-	44,35,239	-
			28-Apr-20	44,74,879	-	44,74,879	-
			29-May-20	45,14,873	-	45,14,873	-
			28-Jun-20	45,55,225	-	45,55,225	-
			29-Jul-20	45,95,937	-	45,95,937	-
			29-Aug-20	46,37,014	-	46,37,014	-
			28-Sep-20	46,78,457	-	46,78,457	-
			29-Oct-20	47,20,271	-	47,20,271	-
			28-Nov-20	47,62,458	-	47,62,458	-
			29-Dec-20	48,05,023	-	48,05,023	-
			29-Jan-21	48,47,967	-	48,47,967	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
Mahindra & Mahindra Financial Services Pvt Ltd	Exclusive hypothecation charge over receivables/loan assets/book debts with a cover of 1.05x times of the outstanding principal at any point of time during currency of the facility.	12.50%	19-Apr-19	40,91,734	-	-	-
			21-May-19	41,34,423	-	-	-
			21-Jun-19	41,77,556	-	-	-
			19-Jul-19	42,21,139	-	-	-
			21-Aug-19	42,65,178	-	-	-
			20-Sep-19	43,09,675	-	-	-
			21-Oct-19	43,54,637	-	-	-
			21-Nov-19	44,00,068	-	-	-
			20-Dec-19	44,45,973	-	-	-
			21-Jan-20	44,92,357	-	-	-
			21-Feb-20	45,39,224	-	-	-
			20-Mar-20	45,86,581	-	-	-
			21-Apr-20	46,34,432	-	-	-
			21-May-20	46,82,783	-	-	-
State Bank of India Loan 2	Hypothecation Assignment of future loan receivables created out of Bank's finance value at 133.33% of the loan amount or loan outstanding.	11.15%	1-Apr-19	-	-	-	-
			1-May-19	90,90,910	-	-	-
			1-Jun-19	90,90,910	-	-	-
			1-Jul-19	90,90,910	-	-	-
			1-Aug-19	90,90,910	-	-	-
			1-Sep-19	90,90,910	-	-	-
			1-Oct-19	90,90,910	-	-	-
			1-Nov-19	90,90,910	-	-	-
			1-Dec-19	90,90,910	-	-	-
			1-Jan-20	90,90,910	-	-	-
			1-Feb-20	90,90,910	-	-	-
			1-Mar-20	90,90,910	-	-	-
			1-Apr-20	90,90,910	-	-	-
			1-May-20	90,90,910	-	-	-
			1-Jun-20	90,90,910	-	-	-
			1-Jul-20	90,90,910	-	-	-
			1-Aug-20	90,90,910	-	-	-
			1-Sep-20	90,90,910	-	-	-
			1-Oct-20	90,90,910	-	-	-
			1-Nov-20	90,90,910	-	-	-
			1-Dec-20	90,90,910	-	-	-
			1-Jan-21	90,90,910	-	-	-
			1-Feb-21	90,90,910	-	-	-
			1-Mar-21	90,90,910	-	-	-
			1-Apr-21	90,90,910	-	-	-
			1-May-21	90,90,880	-	-	-
Nabkisan Finance limited	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	12.25%	1-Apr-19	1,25,00,000	-	-	-
			1-Jul-19	1,25,00,000	-	-	-
			1-Oct-19	1,25,00,000	-	-	-
			1-Jan-20	1,25,00,000	-	-	-
			1-Apr-20	1,25,00,000	-	-	-
			1-Jul-20	1,25,00,000	-	-	-
			1-Oct-20	1,25,00,000	-	-	-
			1-Jan-21	1,25,00,000	-	-	-
			1-Apr-21	1,25,00,000	-	-	-
			1-Jul-21	1,25,00,000	-	-	-
			1-Oct-21	1,25,00,000	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
AU Small Finance Bank Loan 1	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	13.00%	5-Apr-19	62,50,000	-	-	-
			5-May-19	62,50,000	-	-	-
			5-Jun-19	62,50,000	-	-	-
			5-Jul-19	62,50,000	-	-	-
			5-Aug-19	62,50,000	-	-	-
			5-Sep-19	62,50,000	-	-	-
			5-Oct-19	62,50,000	-	-	-
			5-Nov-19	62,50,000	-	-	-
			5-Dec-19	62,50,000	-	-	-
			5-Jan-20	62,50,000	-	-	-
			5-Feb-20	62,50,000	-	-	-
			5-Mar-20	62,50,000	-	-	-
			5-Apr-20	62,50,000	-	-	-
			5-May-20	62,50,000	-	-	-
			5-Jun-20	62,50,000	-	-	-
			5-Jul-20	62,50,000	-	-	-
			5-Aug-20	62,50,000	-	-	-
			5-Sep-20	62,50,000	-	-	-
			5-Oct-20	62,50,000	-	-	-
			5-Nov-20	62,50,000	-	-	-
			5-Dec-20	62,50,000	-	-	-
AU Small Finance Bank loan 2	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	13.00%	3-Apr-19	1,25,00,000	-	-	-
			3-May-19	1,25,00,000	-	-	-
			3-Jun-19	1,25,00,000	-	-	-
			3-Jul-19	1,25,00,000	-	-	-
			3-Aug-19	1,25,00,000	-	-	-
			3-Sep-19	1,25,00,000	-	-	-
			3-Oct-19	1,25,00,000	-	-	-
			3-Nov-19	1,25,00,000	-	-	-
			3-Dec-19	1,25,00,000	-	-	-
			3-Jan-20	1,25,00,000	-	-	-
			3-Feb-20	1,25,00,000	-	-	-
			3-Mar-20	1,25,00,000	-	-	-
			3-Apr-20	1,25,00,000	-	-	-
			3-May-20	1,25,00,000	-	-	-
			3-Jun-20	1,25,00,000	-	-	-
			3-Jul-20	1,25,00,000	-	-	-
			3-Aug-20	1,25,00,000	-	-	-
			3-Sep-20	1,25,00,000	-	-	-
			3-Oct-20	1,25,00,000	-	-	-
			3-Nov-20	1,25,00,000	-	-	-
			3-Dec-20	1,25,00,000	-	-	-
			3-Jan-21	1,25,00,000	-	-	-
			3-Feb-21	1,25,00,000	-	-	-
Hero Fincorp Pvt Ltd	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	13.00%	3-Jun-19	63,99,594	-	-	-
			3-Jul-19	64,68,923	-	-	-
			3-Aug-19	65,39,003	-	-	-
			3-Sep-19	66,09,842	-	-	-
			3-Oct-19	66,81,449	-	-	-
			3-Nov-19	67,53,831	-	-	-
			3-Dec-19	68,26,998	-	-	-
			3-Jan-20	69,00,957	-	-	-
			3-Feb-20	69,75,717	-	-	-
			3-Mar-20	70,51,287	-	-	-
			3-Apr-20	71,27,676	-	-	-
			3-May-20	72,04,893	-	-	-
			3-Jun-20	72,82,946	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
Caspian Impact Investments Pvt Ltd	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	13.50%	3-Jul-20	73,61,844	-	-	-
			3-Aug-20	74,41,598	-	-	-
			3-Sep-20	75,22,215	-	-	-
			3-Oct-20	76,03,706	-	-	-
			3-Nov-20	76,86,079	-	-	-
			3-Dec-20	77,69,345	-	-	-
			3-Jan-21	78,53,513	-	-	-
			3-Feb-21	79,38,584	-	-	-
			15-Apr-19	1,25,00,000	-	-	-
			15-Jul-19	1,25,00,000	-	-	-
			15-Oct-19	1,25,00,000	-	-	-
			15-Jan-20	1,25,00,000	-	-	-
			15-Apr-20	1,25,00,000	-	-	-
			15-Jul-20	1,25,00,000	-	-	-
			15-Oct-20	1,25,00,000	-	-	-
			15-Jan-21	1,25,00,000	-	-	-
			15-Apr-21	1,25,00,000	-	-	-
			15-Jul-21	1,25,00,000	-	-	-
			15-Oct-21	1,25,00,000	-	-	-
			30-Jan-22	1,25,00,000	-	-	-
RBL Bank Ltd	First and exclusive charges over the portfolio of the Company upto the extent of 110% of the outstanding amount at any point of time.	12.50%	14-Jun-19	45,45,455	-	-	-
			14-Jul-19	45,45,455	-	-	-
			14-Aug-19	45,45,455	-	-	-
			14-Sep-19	45,45,455	-	-	-
			14-Oct-19	45,45,455	-	-	-
			14-Nov-19	45,45,455	-	-	-
			14-Dec-19	45,45,455	-	-	-
			14-Jan-20	45,45,455	-	-	-
			14-Feb-20	45,45,455	-	-	-
			14-Mar-20	45,45,455	-	-	-
			14-Apr-20	45,45,455	-	-	-
			14-May-20	45,45,455	-	-	-
			14-Jun-20	45,45,455	-	-	-
			14-Jul-20	45,45,455	-	-	-
			14-Aug-20	45,45,455	-	-	-
			14-Sep-20	45,45,455	-	-	-
			14-Oct-20	45,45,455	-	-	-
			14-Nov-20	45,45,455	-	-	-
			14-Dec-20	45,45,455	-	-	-
			14-Jan-21	45,45,455	-	-	-
			14-Feb-21	45,45,455	-	-	-
			14-Mar-21	45,45,455	-	-	-
			14-Apr-21	45,45,455	-	-	-
			14-May-21	45,45,455	-	-	-
			14-Jun-21	45,45,455	-	-	-
			14-Jul-21	45,45,455	-	-	-
			14-Aug-21	45,45,455	-	-	-
			14-Sep-21	45,45,455	-	-	-
			14-Oct-21	45,45,455	-	-	-
			14-Nov-21	45,45,455	-	-	-
			14-Dec-21	45,45,455	-	-	-
			14-Jan-22	45,45,455	-	-	-
			14-Feb-22	45,45,454	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

5. LONG-TERM BORROWINGS (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at 31 March, 2019		As at 31 March, 2018	
				Secured	Unsecured	Secured	Unsecured
HDFC bank Limited	First and exclusive charges over the receivables of the Company upto the extent of 125% of the outstanding amount at any point of time.	11.15%	15-Apr-19	5,00,00,000	-	-	-
Fincare Small Finance Bank Loan 2	Exclusive first charge (floating) on portfolio of receivables treated as standard assets by the company covering 110% of the principal at any point of time during the currency of the facility.	13.00%	28-Apr-19	1,63,80,224	-	-	-
			28-May-19	1,65,85,053	-	-	-
			28-Jun-19	1,67,44,197	-	-	-
			28-Jul-19	1,69,41,175	-	-	-
			28-Aug-19	1,70,42,325	-	-	-

5. LONG-TERM BORROWINGS (con't)

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

Particular	Nature of Security	Rate of interest	Date of Repayment	As at March 31, 2019		As at March 31, 2018	
				Secured	Unsecured	Secured	Unsecured
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	14.0078%	13-May-22	27,00,00,000		27,00,00,000	
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	14.0078%	17-Jun-22	27,00,00,000		27,00,00,000	
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	13.6076%	29-Jul-22	26,00,00,000		26,00,00,000	
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount	13.4723% & 13.5468%	29-Aug-23	44,00,00,000		44,00,00,000	
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount	13.1000%	30-Oct-20	32,80,00,000		32,80,00,000	
Secured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount	12.5873%	28-Mar-23	30,00,00,000		30,00,00,000	
Secured Rated Unlisted Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 100% of the principal loan amount	12.1000%	24-Jul-24	68,00,00,000			
Secured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,00,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	13.3750%	31-Oct-22	72,00,00,000			
Secured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 88,773	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 120% of the principal loan amount and investment in corporate bonds upto INR 80 lakhs.	12.2500%	29-May-19	2,31,99,397			
			29-Aug-19	2,37,96,543			
			29-Nov-19	2,45,31,302			
			29-Feb-20	2,52,97,692			
			29-May-20	2,61,30,702			
			29-Aug-20	2,68,81,294			
			29-Nov-20	2,77,09,032			
Secured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10,000	Exclusive first charge by way of hypothecation of Company's specific receivables to the extent of 110% of the principal loan amount	13.5000%	24-Dec-25	70,00,00,000			
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1	No Security	12.1900%	16-Feb-21		20,00,00,000		20,00,00,000
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1,00,000	No Security	13.25% for year 1, 12.75% for year 2, 12.5% for year 3	26-Feb-21		25,00,00,000		25,00,00,000
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10	No Security	12.1425%	06-Mar-24		20,00,00,000		

Aye Finance Private Limited
Notes forming part of the financial statements

7. SHORT-TERM BORROWINGS

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured		
(a) Loans repayable on demand		
(i) Cash Credit Facility - Refer Note (i) below	11,30,12,118	1,00,00,000
(ii) Revolving Credit Facility - Refer Note (i) below	5,00,00,000	5,00,00,000
Total	16,30,12,118	6,00,00,000

Note:

- (i) Secured by hypothecation of Loan Receivables (Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.

8. TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 24]	5,57,450	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Other than acceptances	9,98,81,653	4,10,04,167
Total	10,04,39,103	4,10,04,167

9. OTHER CURRENT LIABILITIES

(a) Current maturities of Long Term Borrowings [Refer to note (i) below]		
Secured		
(i) Term Loan from Banks	57,66,81,529	11,24,54,835
(ii) Term Loans from Financial Institutions	48,95,15,043	55,28,21,074
(iii) Redeemable Non- Convertible Debentures	9,68,24,934	-
(b) Interest accrued but not due on borrowings	14,98,80,474	5,92,04,932
(c) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, TDS etc.,)	2,61,30,358	80,65,359
(ii) Payables on purchase of property, plant and equipment	45,54,786	12,83,600
(iii) Pre EMI Interest Received in Advance	64,50,180	40,33,136
(iv) Advance EMI received from customers	90,40,241	75,35,042
(v) Amounts collected towards securitised loan portfolio	8,91,10,378	6,46,39,034
Total	1,44,81,87,923	81,00,37,012

Note:

- (i) For Current maturities of Long Term Borrowings and for details of security, refer Note (i , ii and iii) in Note 5 - Long-term borrowings.

Aye Finance Private Limited
Notes forming part of the financial statements

10. SHORT-TERM PROVISIONS

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Provision for employee benefits:		
(i) Provision for compensated absences	42,92,972	26,97,050
(ii) Provision for gratuity [Refer Note 25]	7,59,467	64,234
(b) Provisions - Others:		
(i) Provision for standard, sub-standard and doubtful assets [Refer Note 32]	10,28,92,774	2,99,18,642
(ii) Provision for Minimum Alternate Tax	-	1,18,60,070
(iii) Provision for Rent straightlining	14,28,845	1,91,914
(v) Provision for Income Tax [net of advance tax ` 85,748,735]	4,64,52,805	-
Total	15,58,26,863	4,47,31,910

12. LONG-TERM LOANS AND ADVANCES

Unsecured, considered good

(a) Capital advances	4,66,390	-
(b) Loans and advances - financing activity	4,90,82,24,113	2,21,98,10,413
(c) Security deposits	84,87,864	68,64,329
(d) Advance income tax [net of provisions (March 31, 2018 :Nil)]	-	83,88,706
(e) Minimum alternate tax credit entitlement	-	1,18,60,070
(f) Loan to Aye Finance Employee Welfare Trust	12,51,474	12,51,474
(g) Loans and advances to Employees	15,63,330	11,90,172
(h) Loans collateral in respect of securitisation	6,46,93,964	5,98,29,343
Total	4,98,46,87,135	2,30,91,94,507

13. OTHER NON - CURRENT ASSETS

(a) Accruals		
(i) Interest accrued on fixed deposits	16,72,214	5,25,620
(b) Others		
(i) Fixed Deposits held as security in respect of borrowings	-	69,20,000
(ii) Fixed Deposits held as security in respect of securitisation	9,60,76,958	2,32,04,792
(iii) Mutual Funds held as security in respect of borrowings	5,00,00,000	-
(iv) Corporate Bonds held as security in respect of borrowings	78,23,200	-
Total	15,55,72,372	3,06,50,412

Aye Finance Private Limited

11. Fixed assets

Particulars	Gross block			Accumulated depreciation and impairment				Net Block		
	Balance as at April 1, 2018	Addition during the year	Disposals / Adjustments	Balance as at March 31, 2019	Balance as at April 1, 2018	Depreciation / amortisation expense for the year	Adjustments/ Disposals	Balance as at March 31, 2019	WDV as on March 31, 2019	WDV as on March 31, 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Property, Plant and Equipment										
(a) Furniture and Fixtures (Previous Year)	1,12,06,583 (43,61,809)	51,49,774 (68,44,774)	0 -	1,63,56,357 (1,12,06,583)	26,66,302 (10,04,349)	28,51,903 (16,61,953)	0 -	55,18,205 (26,66,302)	1,08,38,152 (85,40,281)	85,40,281 (33,57,460)
(b) Office Equipment (Previous Year)	84,50,130 (15,42,433)	28,20,438 (70,43,592)	2,66,064 (1,35,895)	1,10,04,504 (84,50,130)	24,30,867 (6,64,433)	34,37,962 (18,07,715)	1,27,065 (41,281)	57,41,764 (24,30,867)	52,62,740 (60,19,263)	60,19,263 (8,78,000)
(c) Electrical Installations and Equipment (Previous Year)	10,03,673 (9,90,697)	11,38,390 (2,98,571)	53,755 (2,85,595)	20,88,308 (10,03,673)	4,46,107 (5,66,324)	2,10,734 (1,65,378)	36,200 (2,85,595)	6,20,641 (4,46,107)	14,67,667 (5,57,566)	5,57,566 (4,24,373)
(d) Computers (Previous Year)	1,30,72,726 (62,94,850)	1,30,82,681 (67,77,876)	1,88,712 -	2,59,66,695 (1,30,72,726)	74,25,539 (31,87,407)	85,11,098 (42,38,132)	1,21,389 -	1,58,15,248 (74,25,539)	1,01,51,447 (56,47,187)	56,47,187 (31,07,443)
(e) Vehicle (Previous Year)	8,64,850 (8,64,850)	- -	- -	8,64,850 (8,64,850)	4,40,037 (2,46,448)	1,32,687 (1,93,589)	- -	5,72,724 (4,40,037)	2,92,126 (4,24,813)	4,24,813 (6,18,402)
(e) Lease Hold Improvements (Previous Year)	17,40,185 -	22,17,533 (17,40,185)	0 -	39,57,718 (17,40,185)	1,31,016 -	8,48,774 (1,31,016)	- -	9,79,790 (1,31,016)	29,77,928 (16,09,169)	16,09,169 -
Total Property, plant and equipment	3,63,38,147 (1,40,54,639)	2,44,08,816 (2,27,04,998)	5,08,531 (4,21,490)	6,02,38,432 (3,63,38,147)	1,35,39,868 (56,68,961)	1,59,93,158 (81,97,783)	2,84,654 (3,26,876)	2,92,48,372 (1,35,39,868)	3,09,90,060 (2,27,98,279)	2,27,98,279
B. Intangible Assets										
(a) Computer Software (Previous Year)	16,80,582 (16,80,582)	1,65,46,334 -	- -	1,82,26,916 (16,80,582)	14,71,336 (11,07,801)	72,48,734 (3,63,535)	- -	87,20,070 (14,71,336)	95,06,846 (2,09,246)	2,09,246 (5,72,781)
Total Intangible Assets	16,80,582 (16,80,582)	1,65,46,334 -	- -	1,82,26,916 (16,80,582)	14,71,336 (11,07,801)	72,48,734 (3,63,535)	- -	87,20,070 (14,71,336)	95,06,846 (2,09,246)	2,09,246
Total Fixed Assets	3,80,18,729 (1,57,35,221)	4,09,55,150 (2,27,04,998)	5,08,531 (4,21,490)	7,84,65,348 (3,80,18,729)	1,50,11,204 (67,76,762)	2,32,41,892 (85,61,318)	2,84,654 (3,26,876)	3,79,68,442 (1,50,11,204)	4,04,96,906 (2,30,07,525)	2,30,07,525

C.	Depreciation and amortisation	Particulars	For the year ended March 31, 2019	For the year ended 31 March, 2018
			₹	₹
		Depreciation for the year on property, plant and equipment as per Note 11 A	1,59,93,158	81,97,783
		Depreciation and amortisation for the year on intangible assets as per Note 11 B	72,48,734	3,63,535
		Total	2,32,41,892	85,61,318

Aye Finance Private Limited
Notes forming part of the financial statements

14. Current investments

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Investment in mutual funds (Unquoted) - (At lower of cost and fair value, unless otherwise stated)		
(i) 139,109.668 (March 31, 2018: 85,856) units of DSP Liquidity Fund	37,00,00,000	21,30,00,000
(ii) 255,704.282 (March 31, 2018: 810,147) units of ICICI Prudential Liquid Fund	7,02,98,477	19,41,28,295
(iii) 934,832.805 (March 31, 2018: Nil) units of SBI Short Term Debt Fund	2,00,00,000	-
(iv) 234,624.918 (March 31, 2018: Nil) units of Aditya Birla Sun life Liquid Fund	7,01,09,234	-
(v) 34,484.1 (March 31, 2018: Nil) units of SBI Liquid Fund Direct Growth	10,04,21,944	-
(vi) 19,729.869 (March 31, 2018: Nil) units of DSP Ultra Short Fund	5,00,00,000	-
Total	68,08,29,655	40,71,28,295
Aggregate NAV of Mutual Funds	68,40,72,576	40,81,92,127

15. CASH AND CASH EQUIVALENTS

A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)

(a) Cash on hand *	1,38,21,966	58,04,239
(b) Balances with banks		
(i) In current accounts	54,04,55,127	10,32,73,542
(ii) In other deposit accounts with original maturity of less than three months	85,00,00,000	30,73,127
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements)	1,40,42,77,093	11,21,50,908

* Cash on hand includes balance in prepaid cards of RBL Bank Limited and ICICI Bank Limited obtained by Company for its routine expenses.

B. Other bank balances

(i) In other deposit accounts with original maturity of more than three months	5,60,26,785	6,76,70,224
(ii) In earmarked accounts		
- Balance held as security against borrowings	8,76,85,269	6,09,16,799
- Balance held as security against securitisation	94,11,845	59,96,164

Total **1,55,74,00,992** **24,67,34,095**

Aye Finance Private Limited
Notes forming part of the financial statements

16. SHORT-TERM LOANS AND ADVANCES

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Loans and Advances - Financing Activity		
Unsecured Considered good	4,97,51,76,661	2,02,60,21,879
Unsecured, considered good		
(b) Advance to Suppliers	33,34,048	1,33,713
(c) Prepaid Expenses	80,52,183	37,10,354
(d) Loan and Advances to Employees	82,18,462	38,55,165
(e) Security deposits	22,09,972	8,27,238
(f) Balances with government authorities - Unsecured, considered good		
(i) Service Tax credit / Goods and service tax receivable	4,64,97,394	86,05,184
Total	5,04,34,88,720	2,04,31,53,533

17. OTHER CURRENT ASSETS

(a) Accruals		
(i) Interest accrued on fixed deposits	84,77,565	30,98,180
(ii) Interest accrued and due on loans	35,06,920	79,84,491
(ii) Interest accrued but not due on loans	15,32,67,706	6,22,99,559
(b) Advances recoverable from others	5,92,532	10,62,329
(c) TDS Recoverable	17,20,292	5,76,108
Total	16,75,65,015	7,50,20,667

Aye Finance Private Limited
Notes forming part of the financial statements

18 REVENUE FROM OPERATIONS

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
(a) Interest on Loans	1,72,08,81,290	63,16,11,230
(b) Processing Fees	20,66,00,719	10,56,18,465
(c) Interest from securitisation on loans	7,84,52,536	2,53,63,268
(d) Servicing Fee	5,64,168	15,00,000
(e) Other Operating revenues [Refer Note (i) below]	8,96,18,913	3,33,74,590
Total	2,09,61,17,626	79,74,67,553
(i) Other Operating revenues		
Application fees	3,54,50,134	2,66,41,772
Cheque dishonour income	2,43,64,179	16,53,364
Delay payment charges , registration charges etc.	2,98,04,599	50,79,454
Total	8,96,18,913	3,33,74,590

19 OTHER INCOME

(a) Interest from bank on deposits [Refer note (i) below]	3,42,92,675	98,18,539
(b) Gain on sale of mutual funds	3,92,61,070	1,41,52,704
(c) Gain on sale of property, plant and equipment	29,627	-
(d) Miscellaneous income	58,74,959	8,21,941
Total	7,94,58,331	2,47,93,184

Notes

- (i) Tax Deducted at source amounting to ` 3,630,883 (Year ended March 31, 2018 : ` 809,097)

20 EMPLOYEE BENEFITS EXPENSE

(a) Salaries and wages	53,03,32,265	26,56,01,333
(b) Contribution to Provident and other Fund [Refer note 25]	1,57,91,430	1,29,51,722
(c) Gratuity Expense [Refer note 25]	1,19,55,781	42,46,770
(d) Expense on employee stock option (ESOP) scheme [Refer note 28]	39,83,626	41,08,179
(e) Staff welfare expenses	3,99,63,887	2,52,92,620
Total	60,20,26,989	31,22,00,624

21. FINANCE COSTS

(a) Interest expense on:		
(i) Interest on term loans	22,42,68,898	11,65,31,284
(i) Interest on debentures	43,95,93,050	14,42,08,375
(ii) Interest on delayed payment of income tax and other statutory dues	20,265	23,438
(b) Other borrowing costs	6,27,55,554	3,36,50,174
Total	72,66,37,767	29,44,13,271

22 OTHER EXPENSES

	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
Legal and professional	6,27,94,402	2,37,93,423
Payment to Auditors [Refer Note (i) below]	54,50,000	45,78,000
Rates and Taxes	1,03,36,354	70,75,840
Bank charges	71,69,005	46,98,176
Conveyance	5,29,90,366	2,16,34,230
Printing and Stationary	97,45,320	66,83,091
Rent	3,11,18,378	2,12,45,102
Telephone Expenses	1,20,33,366	58,51,589
Tour and Travelling	2,35,13,779	1,34,53,988
Office Expenses	2,16,83,357	1,37,53,884
Subscription charges	1,67,14,079	36,94,290
Provision on standard assets, sub standard and doubtful [Refer Note (ii) below]	16,67,68,389	4,14,00,550
Loans and advance written off	7,86,01,645	1,52,21,872
Loss on sale of property, plant and equipment	24,762	12,078
Miscellaneous Expenses	15,62,496	9,74,861
Total	50,05,05,698	18,40,70,974

Notes:

- (i) Payments to the auditors comprises (net of goods and service tax, where applicable):

As auditors - statutory audit	49,59,500	41,96,500
For taxation matters	2,18,000	1,09,000
For other services	2,72,500	2,72,500
Total	54,50,000	45,78,000

- (ii) During the year, the Company has changed its estimate for provisioning in respect of provision on standard and sub standard assets. Following is the impact of such change in the provisioning.

Months	Old Rates March 31, 2018	New Rates March 31,	Impact of change
0-2 months	0.40%	0.40%	-
3	0.40%	20.00%	73,96,143
4	0.40%	40.00%	1,00,35,752
5	0.40%	60.00%	1,50,10,116
6	0.40%	80.00%	1,83,00,560
7 to 12	25.00%	100.00%	6,86,46,061
13 to 18	50.00%	Write off	2,08,18,312
Above 18	Write off		
Total			14,02,06,944

As a result of above change, the profits before tax for the year ended March 31, 2019 has been decreased by ` 140,206,944 and provision on standard and sub standard assets has been increased by ` 140,206,944.

Aye Finance Private Limited
Notes forming part of the financial statements

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

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(i) Commitments		
Estimated amount of contracts remaining to be executed on capital account and	-	31,32,295
Commitments related to loans sanctioned but not disbursed	2,32,90,000	60,72,000
(ii) Contingent Liabilities not provided for		
Cash collateral (Fixed Deposits) provided by the Company for securitisation of receivables	10,54,88,803	2,92,00,956
Overcollateralization (MRR) provided by the Company for securitisation of receivables	6,46,93,964	5,98,29,343
(iii) The Hon'ble Supreme Court in a recent ruling has passed a judgement on the definition and scope of 'Basic wages', under Employees' Provident Funds and Miscellaneous Provisions Act 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained.		

24 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	5,57,450	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

25 Employee benefit plans

(i) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans 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 ` 14,024,780 (March 31, 2018: ` 11,842,905) 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.

Aye Finance Private Limited
Notes forming part of the financial statements

25 Employee benefit plans (cont'd)

(ii) Defined benefit plans

The Company offers the employee benefit schemes of Gratuity to its employees. 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.

The following table sets out the funded status of the defined benefit schemes pertaining to Gratuity and the amounts recognised in the financial statements:

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Components of employer expense		
Current service cost	94,86,601	42,39,719
Interest cost	6,20,690	2,72,743
Actuarial losses / (gains)	18,48,490	(2,65,692)
Total expense recognized in the Statement of Profit and Loss	1,19,55,781	42,46,770
Actual contribution and benefit payments for the year		
Actual benefit payments	-	-
Actual contributions	-	-
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	(1,99,13,345)	(79,57,564)
Fair value of plan assets	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,99,13,345)	(79,57,564)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	79,57,564	37,10,794
Current service cost	94,86,601	42,39,719
Interest cost	6,20,690	2,72,743
Actuarial losses / (gains)	18,48,490	(2,65,692)
Benefits paid	-	-
Present value of DBO at the end of the year	1,99,13,345	79,57,564
Change in fair value of assets during the year		
Plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actual company contributions	-	-
Actuarial losses / (gains)	-	-
Benefits paid	-	-
Plan assets at the end of the year	-	-
Actual return on plan assets	-	-
Actuarial assumptions		
Discount rate	7.66%	7.80%
Expected return on plan assets	-	-
Salary escalation	10.00%	10.00%
Mortality tables	IALM (2006-08)	IALM (2006-08)
Attrition		
Ages		
Up to 30 Years	14.70%	14.00%
From 31 to 44 years	7.90%	10.00%
Above 44 years	0.10%	8.00%
Estimate of amount of contribution in the immediate next year	1,57,59,819	69,43,047

Aye Finance Private Limited
Notes forming part of the financial statements

25 Employee benefit plans (cont'd)

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.

Experience adjustments	Present value of DBO	Fair value of plan assets	Experience gain/ (loss) adjustments on plan liabilities	Experience gain/ (loss) adjustments on plan assets
	,	,	,	,
2018-19	1,99,13,345	-	352	-
2017-18	79,57,564	-	(48,492)	-
2016-17	37,10,794	-	1,91,917	-
2015-16	12,75,378	-	4,11,523	-

26 Details of leasing arrangements

The Company has entered into operating lease arrangement for office premises at Gurugram and branch premises across 11 states. Expected future minimum commitments for non-cancellable lease is as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
Future minimum lease payments:		
- not later than one year	1,18,87,592	1,07,85,117
- later than one year and not later than five years	90,60,648	2,52,06,322
Lease payments recognised in the Statement of Profit and Loss [Refer to Note 22]	3,11,18,378	2,12,45,102

27 Related party transactions

(a) Details of related parties :

Description of relationship	Names of related parties
Key Managerial Personnel (KMP)	Sanjay Sharma - Managing Director Vikram Jetley - Whole-time Director Ashish Sharma - Chief Financial Officer
Entities over which KMP's have significant influence	Shvet Corporation LLP Shankh Corporation LLP Aye Finance Employee Welfare Trust Strategic Resources
Entities exercising significant influence over the Company	SAIF Partners India V Limited Accion Africa- Asia Investment Company LGT Capital Invest Mauritius PCC with Cell E/VP Accion Technical Advisors Accion International CapitalG LP
Relatives of KMP	Namrata Sharma Harleen Kaur Jetley

Note: Related parties have been identified by the Management.

Aye Finance Private Limited
Notes forming part of the financial statements

27 Related party transactions (con't)

(b) Details of related party transactions during the year ended March 31, 2019 and outstanding balance as at March 31, 2019:

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
A. <u>Managerial remuneration</u>		
<i>Key Managerial Personnel</i>	2,66,73,433	1,10,79,956
(Excluding provision for gratuity and compensated absences as the same are actuarially determined for the Company as a whole and thus not separately ascertainable for the Director).		
B. <u>Shares Issued During The Year</u>		
<i>Entities exercising significant influence over the Company</i>		
SAIF Partners India V Limited	1,59,70,050	-
LGT Capital Invest Mauritius PCC	1,66,77,750	-
CapitalG LP	3,93,73,370	-
Falcon Edge India I LP	3,64,49,730	-
C. <u>Security Premium Received</u>		
<i>Entities exercising significant influence over the Company</i>		
SAIF Partners India V Limited	39,32,46,511	-
LGT Capital Invest Mauritius PCC	52,73,22,444	-
CapitalG LP	1,10,26,56,736	-
Falcon Edge India I LP	1,51,88,60,248	-
D. <u>Dividend on 0.01% on CCPS</u>		
<i>Entities exercising significant influence over the Company</i>		
SAIF Partners India V Limited	5,810	6,160
Accion Africa- Asia Investment Company	3,627	2,713
LGT Capital Invest Mauritius PCC	3,625	4,478
CapitalG LP	2,518	-
Falcon Edge India I LP	250	-
E. <u>Tour and Travelling Expenses</u>		
<i>Entities exercising significant influence over the Company</i>		
Accion Technical Advisors India	3,83,856	19,52,946
F. <u>Salaries and Wages</u>		
<i>Transactions with the relatives of KMP</i>		
Shashwat Sharma	-	3,14,999
G. <u>Staff Welfare - Training Expenses</u>		
Accion International	4,57,627	-
H. <u>Legal and Professional Charges</u>		
Strategic Resources	6,26,719	-

27 Related party transactions (con't)

- (b) **Details of related party transactions during the year ended March 31, 2019 and outstanding balance as at March 31, 2019:**

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<u>I. Reimbursement received</u>		
Reimbursement received for capital expenditure Accion Technical Advisors India	-	8,52,500
<u>J. Sale of property, plant and equipment</u>		
Sanjay Sharma	17,556	-
<u>J. Balance outstanding at the end of the year</u>		
Trade Payable		
Accion Technical Advisors India	-	50,892
Strategic Resources	6,26,719	-
Long term loans and advances		
Aye Finance Employee Welfare Trust	12,51,474	12,51,474

28 Employee share based payments

The Company at its Extra Ordinary General Meeting held on November 29, 2016 has approved an Employee Stock Option Plan 2016 ('the Plan') and has 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. The Company has granted 234,582 options as at March 31, 2019, each option are to be converted into one fully paid up equity share of the company at an exercise price of ` 29 per option. The vesting period is 4 years (10%, 20%, 30% and 40% in 1st, 2nd, 3rd and 4th year respectively) commencing from the date of grant of options (January 2, 2017). It is the intention of the Company that the options shall exercise on the day after the listing of the shares pursuant to an IPO of the Company. During the year, the company has granted 5251 options on July 02, 2018 and 12,567 options w.e.f June 2, 2017. Fair valuation has been carried out at both the grant dates.

Advance of ` 17,500,000 paid to the Aye Finance Welfare Trust for subscribing to the shares of the Company has been adjusted for ` 5,602,940 in Note 3 being the face value of shares issued to the trust and ` 10,645,586 with Securities Premium account in Note 4 being the premium at which the shares were issued. Remaining amount of ` 1,251,474 has been disclosed under head "Long - term loans and advances".

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended March 31, 2019		During the year ended March 31, 2018	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	2,49,474	29	2,25,758	29
Granted during the year:	17,818	29	51,637	29
Vested during the year:	42,262	29	20,714	29
Exercised during the year:	-	-	-	-
Lapsed/Forfeited during the year:	32,710	29	27,921	29
Options outstanding at the end of the year:	2,34,582	29	2,49,474	29
Exercisable at end of year:	62,976	29	20,714	29

Aye Finance Private Limited
Notes forming part of the financial statements

28 Employee share based payments (con't)

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	Year ended March 31, 2019		Year ended March 31, 2018	
	Grant Date July 2, 2018	Grant Date June 2, 2017	Grant Date January 2, 2018	Grant Date January 2, 2017
No. of options granted	5,251	18,567	45,637	2,25,758
Risk Free Interest Rate	7.74% - 7.96%	7% - 7.21%	7% - 7.21%	6.57%
Expected Life in years	3.12	3.83	3.25	4.25
Expected Annual Volatility of Shares	-	-	-	-
Expected Dividend Yield	Nil	Nil	Nil	Nil
Weighted Average Share Price	233.88	72.00	111.43	72.00

29. Earnings per share

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Net Profit/ (Loss) for the year	25,08,41,949	2,30,14,550
Less: Preference Dividend	(19,515)	(13,744)
Net (Loss) for the year attributable to equity shareholders	25,08,22,434	2,30,00,806
Weighted average number of equity shares – for Basic EPS	48,30,385	48,30,300
Effect of dilutive potential equity share equivalent	1,66,64,561	1,17,45,398
Weighted average number of equity shares – for diluted EPS	2,14,94,946	1,65,75,698
Par value per share	10.00	10.00
Profit/ (Loss) per share – Basic	51.93	4.76
Profit / (Loss) per share – Diluted	11.67	1.39

30. Deferred tax

	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Deferred Tax Assets		
Difference between book balance and tax balance of property, plant and equipment	34,72,898	1,61,069
Provision for compensated absences	37,70,623	34,32,063
Provision for loans and advances	5,49,20,223	87,28,506
Provision for gratuity	57,98,766	21,92,508
Provision for rent straightlining	6,63,716	6,27,988
Carry Forward losses	-	63,51,985
Unabsorbed depreciation	-	16,97,387
Total	6,86,26,226	2,31,91,506

Aye Finance Private Limited
Notes forming part of the financial statements

31. Segment Information

The Company is engaged in the business of providing loans to small and medium enterprises. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosure prescribed by Accounting Standard 17 on Segment Reporting are not required.

32. Movement in provisions against assets (Loans and advances) during the year is as under:

The Company has made provision for non- performing assets as specified by the Reserve Bank of India in their guidelines on prudential norms, details of which are given below.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
Opening Balance	4,69,01,413	1,12,13,961
Add: Additions during the year	16,67,68,389	4,14,00,550
Less: Utilised during the year	(2,41,65,823)	(57,13,098)
Less: Amount recovered from customer	(9,04,312)	-
Closing Balance	18,85,99,667	4,69,01,413

33. Details on derivatives instruments and unhedged foreign currency exposures

- (a) The Company does not have any year end unhedged foreign currency exposures.

34. Securitisation

(a) Securitisation transaction entered with Northern Arc 2018 SBL Sadhya

During the year ended March 31, 2019, the Company has securitised pool of certain loans and is managing servicing of such loan accounts on behalf of buyer. The balance outstanding in this pool, at the year end aggregates to ` 106,805,229 (Previous year: Nil), which assets have been de-recognised in the books of the Company. Over collateralisation on securitized loan portfolio as on March 31, 2019 amounts to ` 37,684,411 (Previous year Nil)

The Company is responsible for collection and servicing of this loan portfolio on behalf of buyer in terms of the said agreement. Accordingly, the Company pays to the Trust (SPV) the collected amounts, which is responsible for collection and receives the servicing charge. Principal and Interest collected on securitised portfolio which is yet to be paid to the Trust is ` 22,962,579 and ` 3,097,596 respectively as on March 31, 2019 (Previous year: Nil)

Disclosure in terms of RBI circular 'Revisions to the Guidelines on Securitisation transactions' dated August 21, 2012

S.No	Particulars	As at March 31, 2019	As at March 31, 2018
		₹	₹
1	No. of SPV's sponsored by NBFC for securitisation transactions	1	-
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	12,97,67,808	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	i) Off-balance sheet exposures		
	a) First Loss	-	-
	b) Others	-	-
	i) On-balance sheet exposures		
	a) First Loss	1,20,59,011	-
	b) Others	3,76,84,411	-

Aye Finance Private Limited
Notes forming part of the financial statements

34. Securitisation (con't)

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
4	Amount of exposures to securitization transactions other than MRR		
	i) Off-balance sheet exposures		
	- Exposure to own securities		
	a) First Loss		
	b) Loss		
	- Exposure to third party securitisation		
	a) First Loss	-	-
	b) Loss	-	-
	ii) On-balance sheet exposures		
	- Exposure to own securities		
	a) First Loss	-	-
	b) Loss	-	-
	- Exposure to third party securitisation		
	a) First Loss	-	-
	b) Loss	-	-

(b) Securitisation transaction entered with Jyoti SME Trust March 2019

During the year ended March 31, 2019, the Company has securitised pool of certain loans and is managing servicing of such loan accounts on behalf of buyer. The balance outstanding in this pool, at the year end aggregates to ₹ 488,848,991 (Previous year: Nil), which assets have been de-recognised in the books of the Company. Over collateralisation on securitized loan portfolio as on March 31, 2019 amounts to ₹ 27,009,553 (Previous year Nil)

The Company is responsible for collection and servicing of this loan portfolio on behalf of buyer in terms of the said agreement. Accordingly, the Company pays to the Trust (SPV) the collected amounts, which is responsible for collection and receives the servicing charge. Principal and interest collected on securitised portfolio which is yet to be paid to the Trust is ₹ 51,342,069 and ₹ 12,826,012 as on March 31, 2019 (Previous year: Nil)

Disclosure in terms of RBI circular 'Revisions to the Guidelines on Securitisation transactions' dated 21 August, 2012

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
1	No. of SPV's sponsored by NBFC for securitisation transactions	1	-
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	54,01,91,060	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	i) Off-balance sheet exposures		
	a) First Loss	-	-
	b) Others	-	-
	ii) On-balance sheet exposures		
	a) First Loss	7,02,25,000	-
	b) Others	2,70,09,553	-

Aye Finance Private Limited
Notes forming part of the financial statements

34. Securitisation (con't)

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
4	Amount of exposures to securitization transactions other than MRR		
	i) Off-balance sheet exposures		
	- Exposure to own securities		
	a) First Loss	-	-
	b) Loss	-	-
	- Exposure to third party securitisation		
	a) First Loss	-	-
	b) Loss	-	-
	ii) On-balance sheet exposures		
	- Exposure to own securities		
	a) First Loss	-	-
	b) Loss	-	-
	- Exposure to third party securitisation		
	a) First Loss	-	-
	b) Loss	-	-

(c) Securitisation transaction entered with Vivriti Morris

Pursuant to an agreement with a buyer, the Company has securitised pool of certain loans and is managing servicing of such loan accounts on behalf of buyer. The balance outstanding in this pool, at the year end aggregates to Nil (Previous year: ` 235,296,119), which assets have been de-recognised in the books of the Company. Over collateralisation on securitized loan portfolio as on March 31, 2019 amounts to Nil (Previous year ` 23,529,612)

The Company is responsible for collection and servicing of this loan portfolio on behalf of buyer in terms of the said agreement. Accordingly, the Company pays to the Trust (SPV) the collected amounts, which is responsible for collection and receives the servicing charge. Principal and interest collected on securitised portfolio which is yet to be paid to the Trust is ` 5,781,306 and `675,352 respectively as on March 31, 2019 (Previous year: ` 21,819,803)

Disclosure in terms of RBI circular 'Revisions to the Guidelines on Securitisation transactions' dated 21 August, 2012

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
1	No. of SPV's sponsored by NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	3,27,94,143	23,52,96,119
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	i) Off-balance sheet exposures		
	a) First Loss	-	-
	b) Others	-	-
	ii) On-balance sheet exposures		
	a) First Loss	94,11,845	94,11,845
	b) Others	-	2,35,29,612
4	Amount of exposures to securitization transactions other than MRR		
	i) Off-balance sheet exposures		
	- Exposure to own securities		
	a) First Loss	-	-
	b) Loss	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

34. Securitisation (con't)

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
	- Exposure to third party securitisation		
a)	First Loss	-	-
b)	Loss	-	-
	ii) On-balance sheet exposures		
	- Exposure to own securities		
a)	First Loss	-	-
b)	Loss	-	-
	- Exposure to third party securitisation		
a)	First Loss	-	-
b)	Loss	-	-

(d) Securitisation transaction entered with Vivriti Pereira

Pursuant to an agreement with a buyer, the Company has securitised pool of certain loans and is managing servicing of such loan accounts on behalf of buyer. The balance outstanding in this pool, at the year end aggregates to Nil (Previous year: ₹ 226,897,819), which assets have been de-recognised in the books of the Company. Overcollateralisation on securitized loan portfolio as on March 31, 2019 amounts to ₹ Nil (Previous year ₹ 24,307,402)

The Company is responsible for collection and servicing of this loan portfolio on behalf of buyer in terms of the said agreement. Accordingly, the Company pays to the Trust (SPV) the collected amounts, which is responsible for collection and receives the servicing charge. Principal and interest collected on securitised portfolio which is yet to be paid to the Trust is ₹ 6,917,172 and ₹ 750,080 respectively as on March 31, 2019 (Previous year: ₹ 40,565,900)

Disclosure in terms of RBI circular 'Revisions to the Guidelines on Securitisation transactions' dated 21 August, 2012

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
1	No. of SPV's sponsored by NBFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	3,33,75,798	22,68,97,819
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	i) Off-balance sheet exposures		
a)	First Loss	-	-
b)	Others	-	-
	i) On-balance sheet exposures		
a)	First Loss	1,37,92,947	1,37,92,947
b)	Others	-	2,43,07,402
4	Amount of exposures to securitization transactions other than MRR		
	i) Off-balance sheet exposures		
	- Exposure to own securities		
a)	First Loss	-	-
b)	Loss	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

34. Securitisation (con't)

S.No	Particulars	As at	As at
		March 31, 2019	March 31, 2018
		₹	₹
	- Exposure to third party securitisation		
a)	First Loss	-	-
b)	Loss	-	-
	ii) On-balance sheet exposures		
	- Exposure to own securities		
a)	First Loss	-	-
b)	Loss	-	-
	- Exposure to third party securitisation		
a)	First Loss	-	-
b)	Loss	-	-

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

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

Aye Finance Private Limited
Notes forming part of the financial statements

37 Additional information to the financial statements

37 Disclosures under the Prudential Norms

The disclosures of assets, liabilities etc pursuant to the Master Direction - Non Banking Financial Company – Non – Systemically Important Non Deposit taking (Reserve Bank) Directions, 2016 are as follows:

Particulars		Amount Outstanding as on March 31, 2019	Amount Overdue as on March 31, 2019
		`	`
A Liabilities:			
Loans & advances availed by non-banking financial company inclusive of interest accrued thereon but not paid			
a) Debentures: Secured		4,281,131,216	-
Unsecured (other than falling within the meaning of public deposits)		652,794,521	-
b) Deferred Credits		-	-
c) Term Loans		2,134,411,291	-
d) Inter-corporate loans and borrowings		-	-
e) Commercial Paper		-	-
f) Other Loans		163,384,470	-
B Assets:		Amount Outstanding	
Break up of Loans and Advances including bills receivables (other than those included in C below)			
a) Secured			
b) Unsecured – Others			9,883,400,774
C Breakup of Leased assets and stock on hire and other assets counting towards AFC activities			
i. Leased 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			

Aye Finance Private Limited
Notes forming part of the financial statements

37 Additional information to the financial statements

	Particulars	Amount Outstanding
	b) Repossessed Assets iii. Other Loans counting towards AFC activities a) Loans where assets have been repossessed b) Loans other than (a) above	-
	Particulars	Amount Outstanding
D	Break up of Investments:	
	<u>Current Investments</u>	
	I. Quoted	
	a) Shares: - Equity - Preference b) Debentures and bonds c) Units of Mutual Funds d) Government Securities e) Others	- - - - - -
	Particulars	Amount Outstanding
	II. Unquoted	-
	a) Shares: - Equity - Preference b) Debentures and bonds c) Units of Mutual Funds d) Government Securities e) Others	- - - 730,829,655 - 7,823,200
	<u>Long term Investments</u>	
	III Quoted	
	a) Shares: - Equity - Preference b) Units of Mutual Funds c) Government Securities d) Others	- - - - -
	IV. Unquoted	
	a) Shares: - Equity - Preference b) Debentures and bonds	- - -
		-

Aye Finance Private Limited
Notes forming part of the financial statements

37 Additional information to the financial statements

	c) Units of Mutual Funds		
	d) Government Securities	-	
	e) Others	-	
E Borrower group wise classification of assets financed as in B and C above: (Amount net of provisions)			
Category	Secured	Unsecured	Total
I. Related Parties (As per accounting standard of ICAI)			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
II. Other than Related Parties	-	9,694,801,107	9,694,801,107
Total	-	9,694,801,107	9,694,801,107

F	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category		Market Value / Break up of fair value or NAV	Book Value (net of provisions)
I. Related Parties			
a) Subsidiaries		-	-
b) Companies in the same group		-	-
c) Other related parties		-	-
II. Other than Related Parties*			
* Excluding mutual funds			
Total		-	-
G	Other Information		
Particulars			Amount
i. Gross Non Performing Assets			
a) Related Parties			-

Aye Finance Private Limited
Notes forming part of the financial statements

37 Additional information to the financial statements

b) Other than related parties	186,287,021
Particulars	Amount ,
ii. Net Non-Performing Assets	
a) Related Parties	-
b) Other than related parties **	41,152,457
iii. Assets acquired in satisfaction of debt	-
**Net of deduction on account of Provision for non-performing assets aggregating to ` 145,134,564	

Notes forming part of the financial statements

38 Additional information to the financial statements

RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016, updated as on February 22, 2019.

38.1 Summary of Significant Accounting Policies –

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

38.2 Capital

Particulars		Current Year	Previous Year
i)	CRAR (%)	44.52	18.61
ii)	CRAR - Tier I Capital (%)	44.13	18.27
iii)	CRAR - Tier II Capital (%)	0.39	0.34
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

38.3 Investments

(Amount in INR)

Particulars		Current Year	Previous Year
(1)	Value of Investments	-	-
(i)	Gross Value of Investments	-	-
(a)	In India	738,652,855	407,128,295
(b)	Outside India	-	-
(ii)	Provisions for Depreciation	-	-
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net Value of Investments	-	-
(a)	In India	738,652,855	407,128,295

Notes forming part of the financial statements

38 Additional information to the financial statements

Particulars			Current Year	Previous Year
	(b)	Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		-	-
	(i)	Opening balance	-	-
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less Write-off/ write-back of excess Provisions during the year	-	-
	(iv)	Closing Balance	-	-

38.4 Derivatives

38.4.1 Forward Rate Agreement / Interest Rate Swap

(Amount in INR)

Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

Notes forming part of the financial statements

38 Additional information to the financial statements

38.4.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in INR)		
S.No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
	a)	NIL
	b)	NIL
	c)	NIL
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2016 (instrument-wise)	
	a)	NIL
	b)	NIL
	c)	NIL
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	a)	NIL
	b)	NIL
	c)	NIL
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	a)	NIL
	b)	NIL
	c)	NIL

38.4.3 Disclosures on Risk Exposure in Derivatives

Since the Company doesnot have any risk exposure in derivatives, this disclosure is not applicable in the Company.

38.5 Disclosures relating to Securitisation

Refer Note No. 34 of the financial statements.

Notes forming part of the financial statements

38 Additional information to the financial statements

38.6 Asset Liability Management Maturity pattern of certain items of Assets & Liabilities

(Amount in INR Crores)

	Up 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 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	36.12	40.23	40.89	126.59	254.09	466.54	23.17	0.73	988.34
Investments	106.54	30	22.71	2.03	14.14	2.59	5.78	-	183.78
Borrowing	30.83	10.89	9.70	30.44	50.75	555.58	20.00	-	708.18
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

38.7 Exposures

38.7.1 Exposure to Real Estate Sector

(Amount in INR)

Category		Current Year	Previous year
a)	Direct Exposure		
	(i) Residential Mortgages -	NIL	NIL
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	NIL	NIL
	(ii) Commercial Real Estate -	NIL	NIL
	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	NIL	NIL

Notes forming part of the financial statements

38 Additional information to the financial statements

Category			Current Year	Previous year
	(iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -	NIL	NIL
		a) Residential	NIL	NIL
		b) Commercial Real Estates	NIL	NIL
Total Exposure to Real Estate Sector			NIL	NIL

38.7.2 Exposure to Capital Market

(Amount in INR)

Particulars		Current year	Previous year
(i)	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;	NIL	NIL
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(iii)	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
(iv)	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
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or	NIL	NIL

Notes forming part of the financial statements

38 Additional information to the financial statements

Particulars		Current year	Previous year
	on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii)	Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market		NIL	NIL

38.8 Details of financing of parent company products

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

38.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) i.e. 15% of its Owned fund / Group Borrower Limit (GBL) i.e. 25% of its own fund, during the current year.

38.10 Unsecured Advances

The Company has given ` 9,883,400,774 on account of Business loans.

38.11. Miscellaneous

38.11.1 Registration obtained from other financial sector regulators

The Company doesnot hold any other registration other than NBFC registration from RBI.

38.11.2 Disclosure of Penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2019.

38.11.3 Related Party Transactions

Refer note 27 of Financial Statements for related party transaction disclosure.

Notes forming part of the financial statements

38 Additional information to the financial statements

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

Rating Purpose	Financial Year	Rating Assigned	Rating Outlook
Aye Finance Private Limited by India Ratings & Research	FY 2018-19	[IND] BBB ⁺	Stable
Fund based term loan of INR 55.6 crores by ICRA	FY 2018-19	[ICRA] BBB	Stable

38.12 Additional Disclosures

38.12.1 Provisions & Contingencies

(Amount in ` Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current year	Previous year
Provisions for depreciation on Investment	-	-
Provision towards NPA	13.97	2.95
Provision made towards Income tax net of deferred tax	7.23	-
Other Provision and Contingencies	Nil	Nil
Provision for Standard Assets	2.70	1.19

38.12.2 Draw Down from Reserves

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

Notes forming part of the financial statements

38 Additional information to the financial statements

38.13 Concentration of Deposits, Advances, Exposures and NPAs

The Company has not taken any deposits from any party.

38.13.1 Concentration of Advances

(Amount in ` Crore)

Total Advances to twenty largest borrowers	2.80
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.28%

38.13.2 Concentration of Exposures

(Amount in ` Crore)

Total Exposure to twenty largest borrowers/Customers	2.80
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.28%

38.13.3 Concentration of NPAs

(Amount in ` Crore)

Total Exposure to top four NPA accounts	0.38
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38.13.4 Sector-wise NPAs

S. No.	Sector	Percentage of NPAs to total advances in that sector
1	Agriculture & allied activities	-
2	MSME	1.88%
3	Corporate borrowers	-
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	-

Notes forming part of the financial statements

38 Additional information to the financial statements

38.13.5 Movement of NPAs

(Amount in ` Crore)

Particulars		Current Year	Previous year
(i)	Net NPAs to Net Advances (%)	0.42%	1.19%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	7.72	1.21
	(b) Additions during the year	17.91	7.70
	(c) Reductions during the year	(7.01)	(1.19)
	(d) Closing balance	18.62	7.72
(iii)	Movement of Net NPAs		
	(a) Opening balance	4.99	0.60
	(b) Additions during the year	3.69	5.01
	(c) Reductions during the year	(4.57)	(0.62)
	(d) Closing balance	4.11	4.99
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	2.72	0.60
	(b) Additions during the year	14.22	2.69
	(c) Reductions during the year	(2.43)	(0.57)
	(d) Closing balance	14.51	2.72

38.14 Overseas Assets

The Company does not own any assets outside the country.

38.15 Off – balance sheet SPVs sponsored

The Company does not have any off balance sheet SPVs sponsored.

38.16 Disclosure of Complaints

Notes forming part of the financial statements

38 Additional information to the financial statements

38.16.1 Customer Complaints

(a)	No. of complaints pending at the beginning of the year	0
(b)	No. of complaints received during the year	237
(c)	No. of complaints redressed during the year	228
(d)	No. of complaints pending at the end of the year	9*

*Out of 9 outstanding complaints as at March 31, 2019, 5 complaints have been subsequently resolved by the Company till yet.

38.17 Expenditure on Corporate Social Responsibility

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, requires that the board of directors of every eligible company, shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure is as follows:

(Amount ` in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year	Nil	Nil
(b) Amount spent during the year	-	-

38.18 Disclosures relating to Fraud in terms of the notification issued by Reserve Bank of India DNBS.PPD.01/66.15.001/2016-17 dated September 29, 2016.

During the year ending March 31, 2019 and March 31, 2018, there were no instances of falsification and misappropriations by agencies, vendors & company's contractual staff etc. and thus the Company has not reported any case/ instances of frauds to RBI under Fraud Monitoring Return (FMR-1) related to falsification and misappropriations by agencies, vendors & Company's contractual staff etc.

Aye Finance Private Limited
Notes forming part of the financial statements

39. Disclosure of Restructured Accounts

Sl. No.	Type of Restructuring		Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification	Details	Stand-ard	Sub-Standard	Doubt-ful	Total	Standard	Sub-Standard	Doubt-ful	Total	Standard	Sub-Standard	Doubt-ful	Total	Standard	Sub-Standard	Doubt-ful	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Aye Finance Private Limited

Notes forming part of the financial statements

40. Previous years figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Sanjay Sharma
Managing Director
DIN: 03337545



Vikram Jetley
Whole-time Director
DIN: 06530212



Tripti Pandey
Company Secretary
M. No. - 32760



Ashish Sharma
Chief Financial
Officer

Gurugram
May 20, 2019

RELATED PARTY DISCLOSURES UNDER REGULATION 53 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

S No.	Name of the Related Party	Nature of Transactions	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year (in INR)
1	Holding Company	Loans and advances in the nature of loans to subsidiaries by name and amount.	Nil
		Loans and advances in the nature of loans to associates by name and amount.	Nil
		Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Nil
		Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	Nil
2	Subsidiary Company	Loans and advances in the nature of loans from Holding Company by name and amount.	Nil
		Loans and advances in the nature of loans to associates by name and amount.	Nil
		Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Nil

Disclosure of transaction between the Company and any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company have been made as per Indian Accounting Standard 18 in Note 27 of Notes to Account forming part of Financial Statements.

The Board of Directors
Aye Finance Private Limited
M-5, Magnum House-I, Mezzanine floor,
Community Centre Karampura,
Opposite Milan Cinema, New Delhi - 110015

Independent Auditor's Report on the Statement containing details relating to utilisation of funds raised from the issuance of Non-Convertible Debentures by Aye Finance Private Limited ("the Company") during the year ended March 31, 2019 (hereinafter referred to as the "Statement")

1. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration No. 117366W/ W-100018), the statutory auditors of Aye Finance Private Limited ("the Company") having its Registered Office at M-5, Magnum House-I, Mezzanine floor, Community Centre Karampura, Opposite Milan Cinema, New Delhi - 110015, have issued this report in accordance with the terms of our engagement letter dated October 5, 2018.
2. The accompanying Statement containing details of funds raised during the year ended March 31, 2019 by way of issuance of Non-Convertible Debentures and utilisation of proceeds thereof by the Company for submission to M/s Catalyst Trusteeship Limited and M/S Vistra ITCL (India) Limited (hereinafter referred to as the "Debenture Trustees") as required in terms of clause 15(1A)(c)(ii) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 dated December 29, 1993 and subsequent amendments thereto ("Debenture Trustee Regulations") and para 56(1)(a) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), which we have initialed for identification purpose only.

Management's Responsibility for the Statement

3. The preparation of the aforesaid Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI Regulations and Debenture Trustee Regulations.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Regulations and Debenture Trustee Regulations, our responsibility is to provide a reasonable assurance whether the particulars contained in the aforesaid Statement are in agreement with the audited financial statements, books of account and other relevant records and documents maintained by the Company for the year ended March 31, 2019.
This does not include the evaluation of the adherence by the Company for applicable terms and conditions as set out in the SEBI Regulations and Debenture Trustee Regulations.



6. The Financial statements as of and for the year ended March 31, 2019 have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 20, 2019. Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under section 143(10) of The Companies Act, 2013. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. This report is based solely on our examination of the audited financial statements, books of account and other relevant records and documents considered necessary for the purpose of issuing this certificate and the information and explanations given to us by the Company.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.


Opinion

10. Based on our examination, as above, and according to the information and explanations provided to us by the Management of the Company, we are of the opinion, that the particulars furnished by the Company in the said Statement are in agreement with the audited books of account and other relevant records and documents maintained by the Company for the year ended March 31, 2019.

Restriction on Use

11. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Debenture Trustee in terms of the SEBI Regulations, Debenture Trustee Regulations, and should not be used by any other person or for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/ W-100018)


Sameer Rohatgi
Partner
(Membership No. 094039)

Gurugram
June 18, 2019
UDIN: 19094039AAAAAJ4591

**Statement containing details relating to utilisation of funds from the Non-Convertible
Debentures ("NCDS") issued during the year ended March 31, 2019**

Sr. No	ISIN No.	Name of the Instrument	Issuance Date	Coupon Rate	Maturity Date	Issuance Size (in Crores)	Whether listed or unlisted
1	INE501X07083	Secured NCDs	24-07-2018	12.10%	24-07-2024*	68.00	Unlisted
2	INE501X07091	Secured NCDs	31-10-2018	13.375 %	31-10-2022**	72.00	Listed
3	INE501X07117	Secured NCDs	24-12-2018	13.5%	24-12-2025***	70.00	Listed
4	INE501X07109	Secured NCDs	29-11-2018	12.25%	29-05-2019 29-08-2019 29-11-2019 29-02-2020 29-05-2020 29-08-2020 29-11-2020	20.00	Listed
5	INE501X08032	Unsecured NCDs	06-03-2019	12.1425%	06-03-2024	20.00	Listed

*Date of put/ call option is July 24, 2021

** Date of put/ call option is October 16, 2020

*** Date of put/ call option is December 24, 2021

We, hereby certify that the money received via issuance of above NCD's during the year ended March 31, 2019 has been used for expanding the loan portfolio of the Company.

For Aye Finance Private Limited



Sanjay Sharma

Managing Director



Ashish Sharma

Chief Financial Officer



CORPORATE INFORMATION

Registered Office

M-5, Magnum House-I, Mezzanine Floor, Community centre Karampura,
Opp. Milan Cinema, New Delhi-110015, Delhi, India
CIN-U65921DL1993PTC283660
Email: corporate@ayefin.com, finance@ayefin.com,
Website: www.ayefin.com
Tel No: 011-4308959

Corporate Office

809-812, 8th Floor, Vipul Square,
B-Block, Sushant Lok-I, Gurugram-122009,
Haryana, India
Tel No: 0124-4844000

Key Managerial Personnel (KMP)

Mr. Ashish Sharma, Chief Financial Officer
Ms. Tripti Pandey, Company Secretary

Auditors

Deloitte Haskins & Sells LLP

Secretarial Auditors

Brajesh Kumar & Associates

Internal Auditors-

KPMG

Debenture Trustees

1. Name: VISTRA ITCL (INDIA) LTD
Address: IL&FS Financial Centre, Plot C- 22, G Block, BKC Road, Bandra Kurla Complex,
Bandra East, Mumbai, Maharashtra – 400051
Telephone: 022-26593535
Attention: Mr. Vishal Gusani, Asst. Manager (Trust operations)
E-mail: mumbai@vistra.com
2. Name: CATALYST TRUSTEESHIP LTD
Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra
411038
Telephone: 020 2528 0081
Attention: Ms. Aayushi Sanghavi, Manager
E-mail: aayushi.sanghavi@ctltrustee.com

Registrar and Share Transfer Agent

Name: Karvy Fintech Pvt Ltd (BP ID- IN200800)
Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,

Attention: Hyderabad-500 032,
Mr S P Venugopal (DGM - Corporate Registry)
E-mail: venu.sp@karvy.com

Bankers

HDFC Bank, RBL Bank, ICICI Bank, SBI Bank, Fincare Small Finance Bank, AU Small Finance Bank.