AYE [आय]

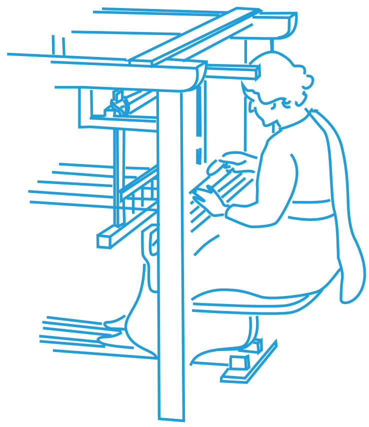
ANNUAL REPORT
2019-20

Aye Finance Pvt. Ltd.

Table of Contents

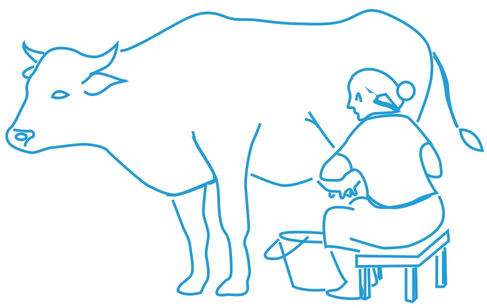
Message from the Managing Director

Business Highlights



Board Of Directors

Audited Financial Report



Report Designed by Ms. Shriya Misra (NIFT)

MESSAGE BY THE MANAGING DIRECTOR

Message by the Managing Director

> Our focus on delivery of customer value and on improving efficiency through refined data insights has helped us expand profitably to all four regions in India.

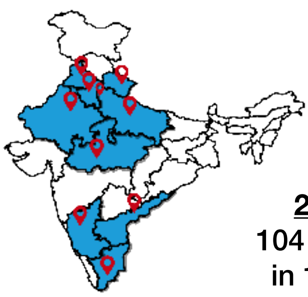
Spreading our Wings - Growth catalyzed through refined data insights

I am happy to present to you the Annual Report 2019-2020 of Aye Finance Private Limited. We continued our journey into our sixth year staying true to our values and guided by our vision to excel in serving financial solutions to the excluded micro enterprises in India.

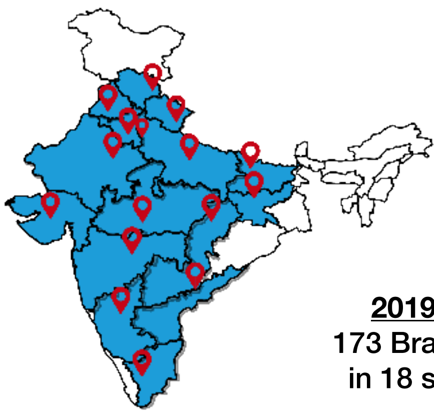
MSMEs play a very important role in providing mass employment opportunities and also help in industrialization of the rural & backward areas. While most of the banks and financial institutions are not keen on financing the micro enterprises, it has been our focused endeavor to lend to this very large yet neglected sector of micro businesses through our cluster based lending approach. This is a huge opportunity when we consider the 67 million owners of micro enterprises in India, that have been left un-serviced by banks and finance companies.
Our innovations in products and processes have had a good uptake from this segment. In FY19-20 we expanded our outreach to Maharashtra, Chandigarh, Gujarat, Telangana, Bihar, Chattisgarh and Jharkhand, in the process increasing our branches from 104 to 173. We are now represented in 16 states and 2 union territories in India. We disbursed over 1,10,000 loans and over the past years we have cumulative disbursements of over 2,30,000 loans.

The growth seen in the year further moves us to being a leader and the milestones through the year have earned us the admiration and respect of our stakeholders – the customers, employees, investors and the regulators. Now that we have established our innovative cluster based paradigm to credit underwrite the excluded micro enterprises, we have moved our focus to scaling up the business with good profitability metrics.

BRANCH GROWTH



2018-19
104 Branches
in 11 states



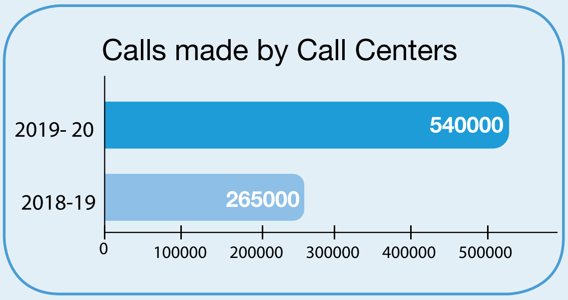
2019-20
173 Branches
in 18 states

CUSTOMERS

Serving the excluded micro enterprises is the reason we set up this business and this has continued to energise us on our journey. We are in serving business ; what we provide to our customers is important along with how we provide the solution. We have hence continued to focus not only on the quality of the product solution but also on the quality of our service delivery.

We ended the year with our customers giving us a big thumps up through the net promoter score (NPS) of 82%, [SS1] . Considering the wide variety of businesses that our clients represent, this rating is a testimony of the competence of our team in providing high level of satisfaction to customers. In the Customer Satisfaction Survey of new customers, the annual average was 98 % satisfaction level.This year we added two more call centres – one in West region and one in the South region, to supplement the existing one in the North region. The service officers in these call centres have multilingual capability. Our customers rely on primarily phone call or voice based communication and hence these call centres manage important customer touchpoints to deliver strategic customer value.The process for repeat loan customers was transitioned from the field team to these customer service (call centre) teams. This has resulted in better repeat loan conversions and at the same time helped us free up our branch teams to focus better on new customer acquisition.

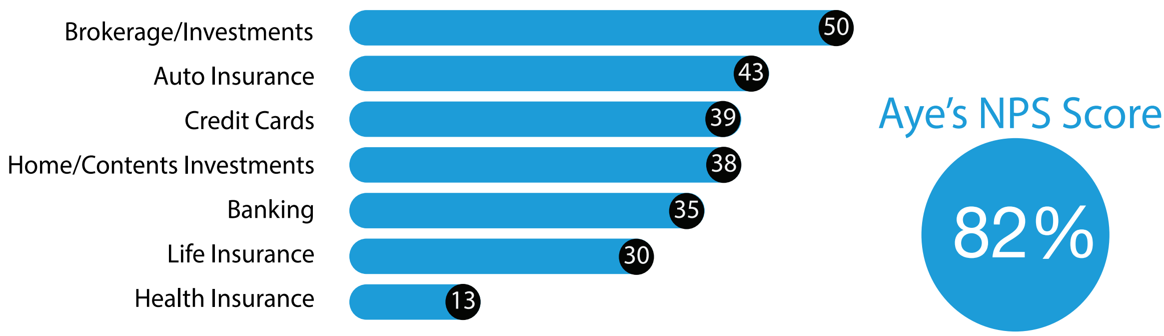
Delivering consistent Turn Around Times (TAT) as promised and ensuring there is error-free service is the foundation of quality service. We have worked in the year to improve ourselves in these areas too. This year, as was planned, witnessed the start of our initiative to help micro enterprises beyond mere ‘finance’. This year we set up ‘Foundation for Advancement of Micro Enterprises’ (FAME) - a non profit subsidiary that has channelized our efforts to benefit the micro enterprises. FAME has launched business improvement initiatives that started to benefit many micro enterprises irrespective of their status as a customer of Aye Finance or not. The initiatives on dairy improvement with the help of qualified veterinarians and with knowledge support from National dairy Research Institute have been well received and have helped many micro entrepreneurs. Another initiative on improvement of quality of manufacturing in sports good cluster too has had enthusiastic participation. This is a good beginning from the team at FAME and we can expect many more initiatives that uplift the micro enterprises.



ERROR RATE
0.25%

TURN AROUND TIME
93% decisioned
in 4 days

INDUSTRY WISE AVERAGE NET PROMOTER SCORE (NPS)



Source : surveysensum.com

EMPLOYEES

Our employees make us a successful business through their commitment and toil, they are the ones who give face to our corporate vision and our values.

A rapidly growing company like ours, requires nimble hiring and induction of new employees. We have done just that, we have hired more than 2200 team members in the last year, delivered over 64,000 man hours of training and recognized and rewarded over 3862 achievers in our team. The speciality center for Data Science and Artificial Intelligence that was set up in the year is an exciting initiative for the company. Our focus on using data insights will add impetus to enhance and optimize our business. This year has already seen development and deployment of many data science and machine learning models that can help us optimize our approaches on customer underwriting, repeat loan automation and management of delinquency.

We have continued to build a high engagement environment for our employees and these efforts have won us a certification as a 'Great Place to work' from Great Place To Work Institute. This is the second year that we have had this certification and this year we have been ranked 14th amongst 'India's best Companies to work for'.

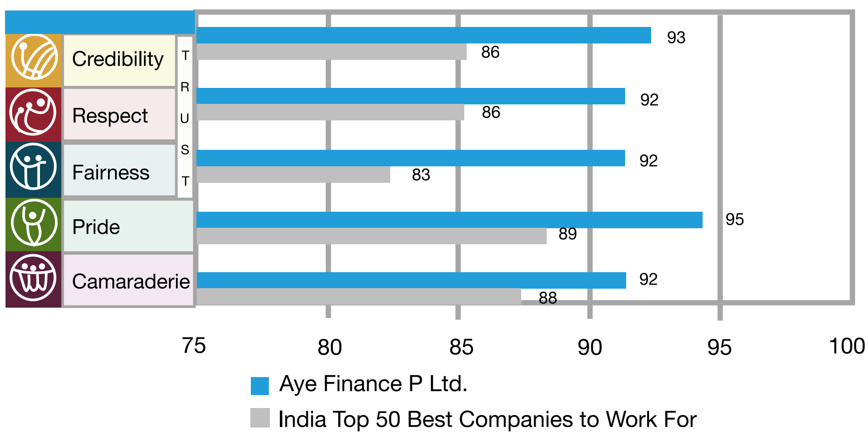
It is heartening to observe that this ranking was achieved on a very high Trust Index Score that was derived from a confidential independent survey of our employees by the GPTW team. We are amongst 'Top 3' NBFCs and 'Top 5' BFSI organizations in India for the year 2020.

We implemented many initiatives to help our employees in their careers with us. Learning and Development is one of the primary initiatives in this respect. While our ILM program focuses on online or digital learning, we also run a host of face to face training initiatives like Chaupal and Aye Academy. These programs serve to fill all the gaps that can often arise even in the best intended development programs.

A large employee organisation requires good, efficient ways of communicating and keeping in touch with employees. This year, the deployment of our Human Resources Management System(HRMS), has helped us open an effective channel for keeping our employees updated on various important company and departmental programs.

GPTW TRUST INDEX RESULTS

Aye's Overall Trust Index Score	: 93/100
India Top 50- Best Companies to Work For Trust Index Score	: 86/100



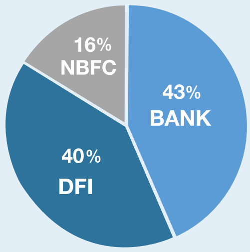
INVESTORS AND FUNDING PARTNERS

We have a good balance of commercial as well as impact investors on our board and this catalyses our approach for a double bottomline. The commitment and engagement of our equity investors has been an important source of stability and encouragement in our journey. Their contributions through Board discussions and through direct guidance in strategic projects has powered our rapid growth in value.

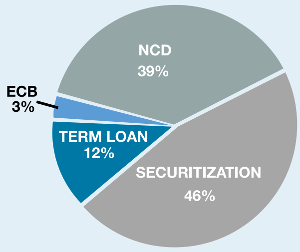
The Company continued its track record of generating profits for the third year after harmonising our accounts with the more prudent provisioning under the IndAs accounting framework.

Raising of Debt becomes of ever-increasing importance as we grow and scale up. We have continued to have a well diversified portfolio on debt arrangements. We raised over 1032 crores of debt during the year from over 20 debt providers. The debt arrangements were also diversified by the type of debt instruments, into NCDs, External Commercial Borrowing and Term Loan. Our Finance team worked on improving our Corporate rating. In keeping with our growth, profitability and credit performance, we obtained an improved rating of A- with stable outlook from India Ratings and Research. This upgrade has helped us target larger pools of debt at more efficient price. Seen in the backdrop of the impact of Covid pandemic on financial markets, this upgrade is a very positive harbinger for our company.

The prudence in maintaining good liquidity and robust asset liability management practices has been a cornerstone of our funding approach. This has proved invaluable as the threat of disruption due to the Covid pandemic looms large at the end of the financial year. We had proactively built a robust pipeline of debt facilities and this will provide us the strength to face up to the foreseeable months of disruption in the financial markets in the new financial year.



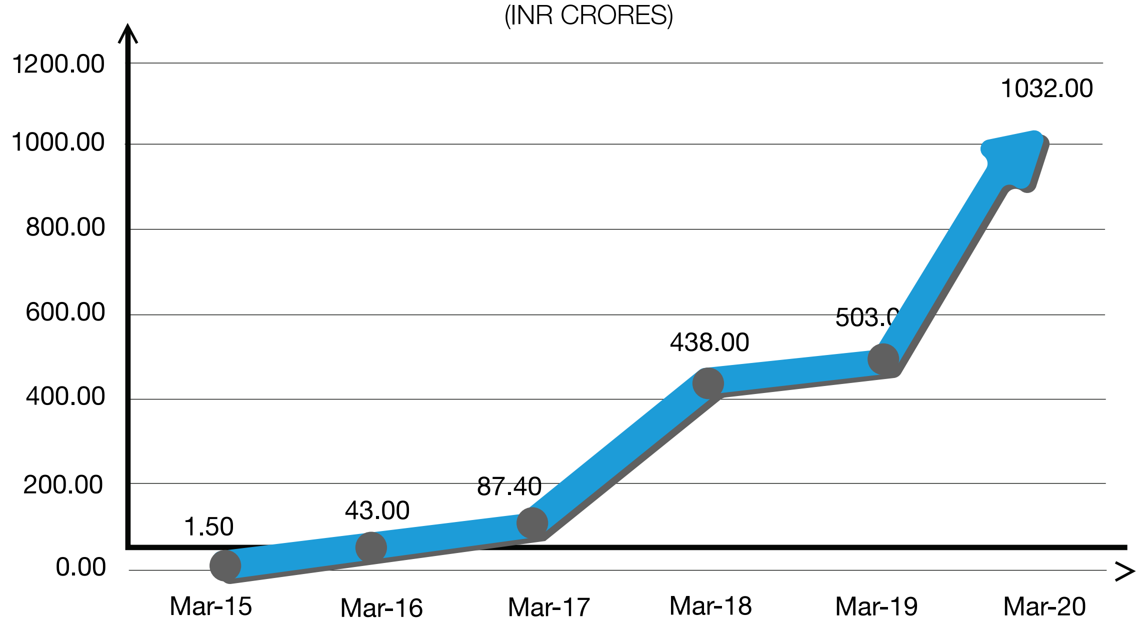
DEBT PROVIDERS



DEBT INSTRUMENTS

DEBT RAISED

(INR CRORES)



OUTCOMES AND IMPACT

In the FY2019-20, our sixth year of operation, the business has performed well as can be measured from :

The principal outstanding of customer loans has grown from INR 1047 crores to INR 1781 crores

We disbursed INR 1624 crores in business loans to micro businesses

We have made over 2,30,000 loan disbursements since inception

This is our third consecutive year of profits and we made a net profit of INR 32 crores, even after adjusting for more prudent provisions under the IndAs guidelines

We have an engaged and trained team with 3162 employees as on March 2020

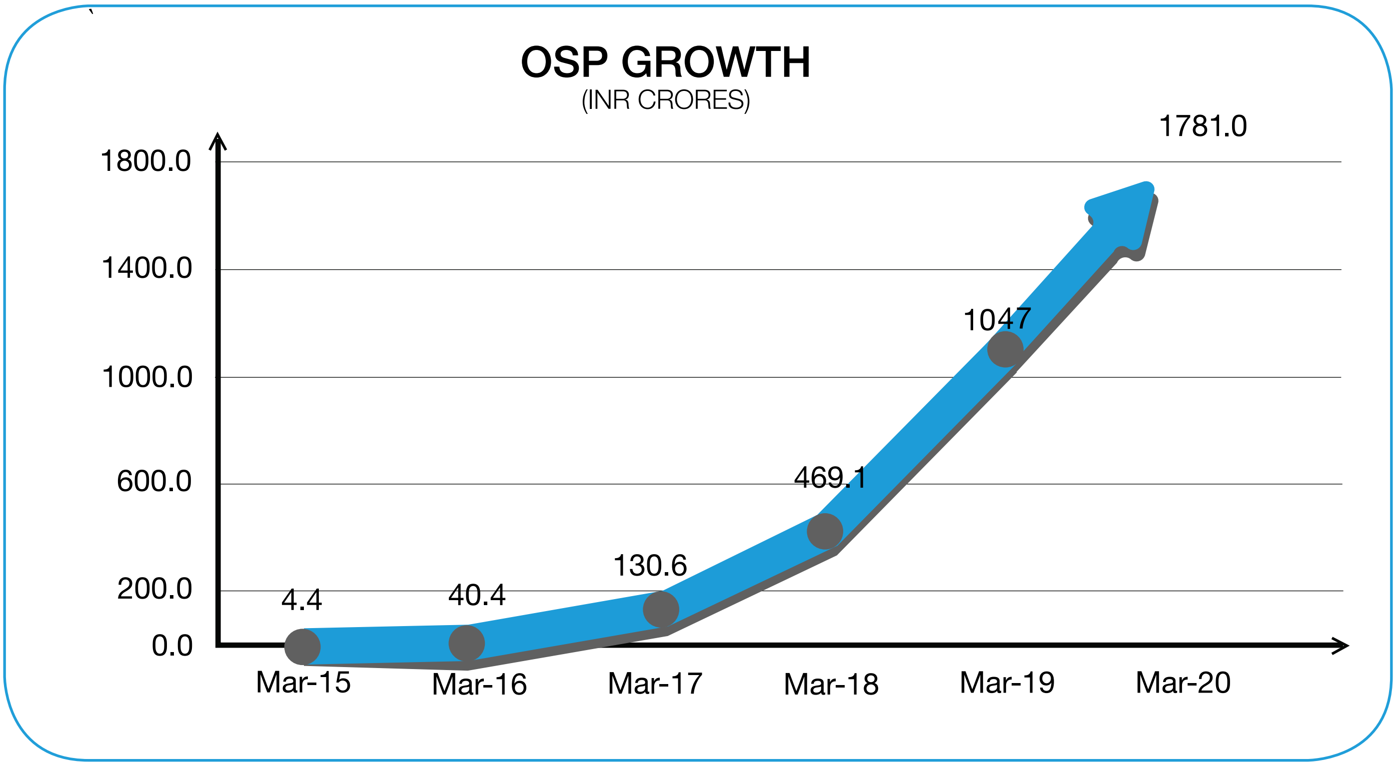
We recognized and rewarded the contributions of 3862 employees through our monthly reward and recognition programs

We raised INR 1032 crores of debt during the year

We expanded our Data Science and Artificial Intelligence Department

We launched our Section 8 Company FAME (Foundation for Advancement of Micro Enterprises) to provide beyond financing support to the grassroots businesses of India

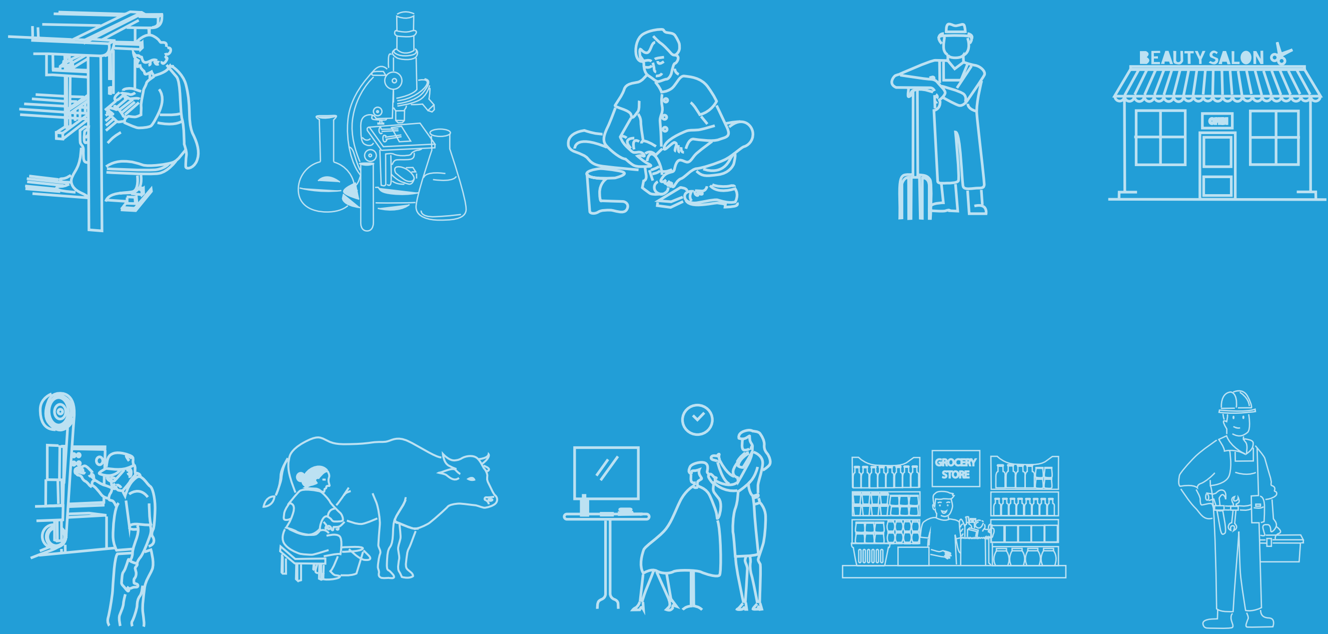
Aye Finance has been recognized at many leading corporate awards. MeitY Digi-Dhan Fintech Award, ET BFSI Excellence Award 2019 in the category "Most Innovative NBFC of the Year", Inclusive Finance India Awards 2019 in the category Non-Banking Finance Company lending to Micro and Small Enterprises category, Business World's Digital India Award for our "Cluster-Based Credit Assessment of Micro Enterprises" and SME Connect" Award by Governance Now



> This has been another successful and profitable year from our double bottom-line perspective. We have created value for all stakeholders and contributed to a good social cause that uplifts under privileged micro enterprises.

In summary, this has been another successful and profitable year from our double bottom-line perspective. We have created value for all stakeholders and contributed to a good social cause that uplifts under privileged micro enterprises. We are fortunate to be well placed to face up to the challenges that the Covid-19 disruption is going to cause in the year ahead. The horizon for the next year is fogged out due to this uncertainty, but with our talented and engaged team, we are confident that we will persevere and overcome the challenges that arise. I take this opportunity to thank the Management Team for their commitment and guidance and extend our appreciation and gratitude to all employees for their valuable contributions to the Company. I would also like to thank our Investors and the Board Members for their continued support and our customers for their loyalty to our company.

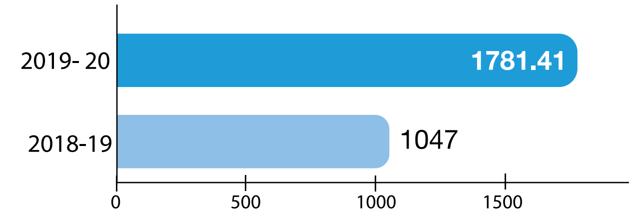
SANJAY SHARMA
MANAGING DIRECTOR



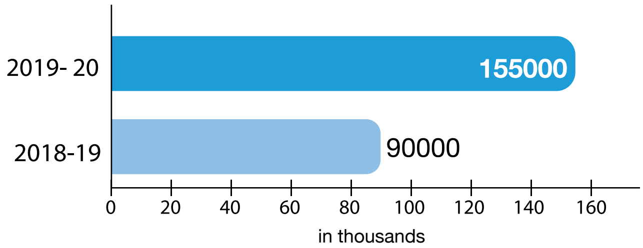
BUSINESS HIGHLIGHTS

Business Outcomes

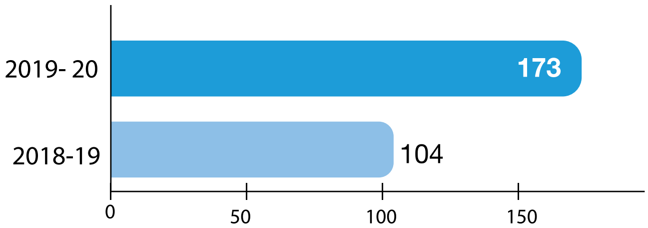
PORTFOLIO GROWTH
(INR CRORES)



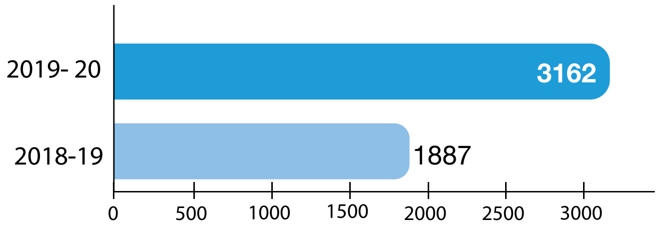
ACTIVE LOANS



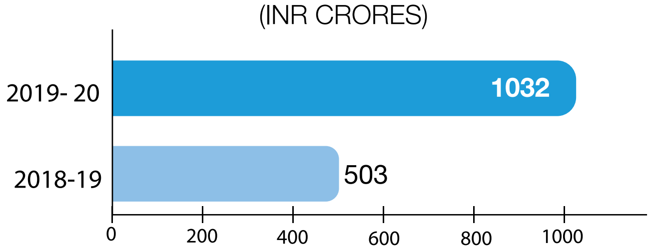
EXPANSION OF BRANCHES



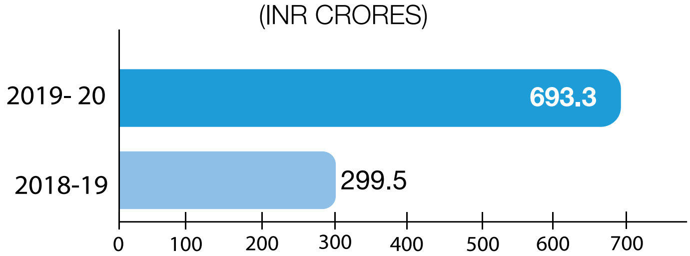
EMPLOYEE STRENGTH



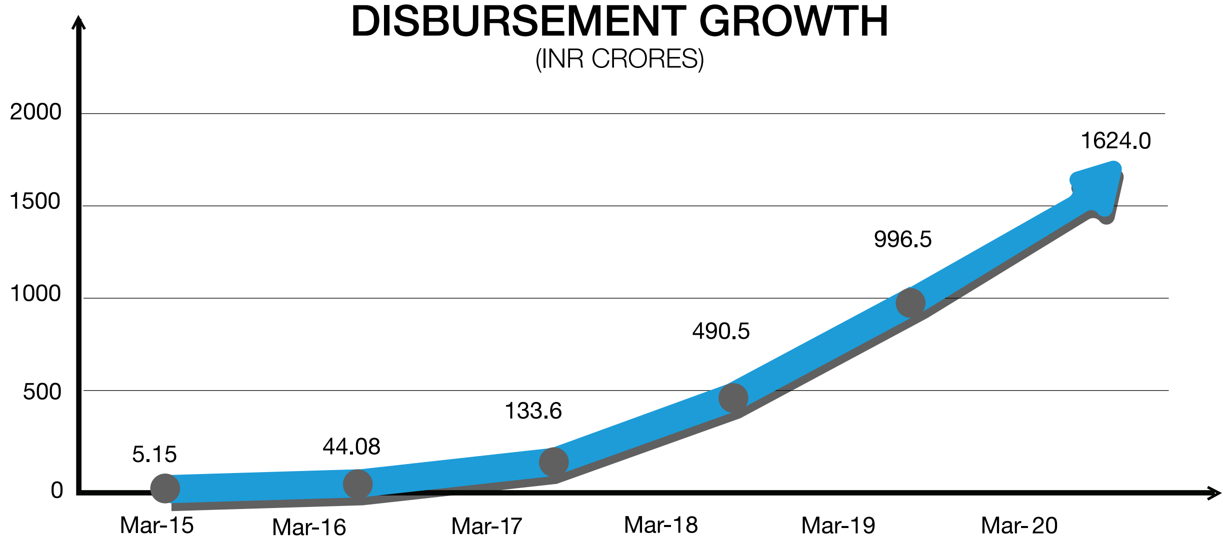
DEBT RAISED
(INR CRORES)



REPEAT BUSINESS
(INR CRORES)



DISBURSEMENT GROWTH
(INR CRORES)



Democratizing lending for micro enterprises through Machine Learning

In line with our data focused ways and prestigious association with Google (Capital G) mentorship program, the department of Data Science and AI (DSAI) was established during the FY 2019-20. The DSAI department started its journey with a strategic vision to build and embed advanced analytics and state-of-the-art machine learning and AI solutions across all key aspects of our business over the coming years in order to build further on the data assets accumulated since inception and continue to extend our competitive edge. During the first year of its existence, the department has established the requisite infrastructure and core team consisting of data scientists & data engineers, identified a sequence of large strategic AI/ML projects, and started developing and deploying those.

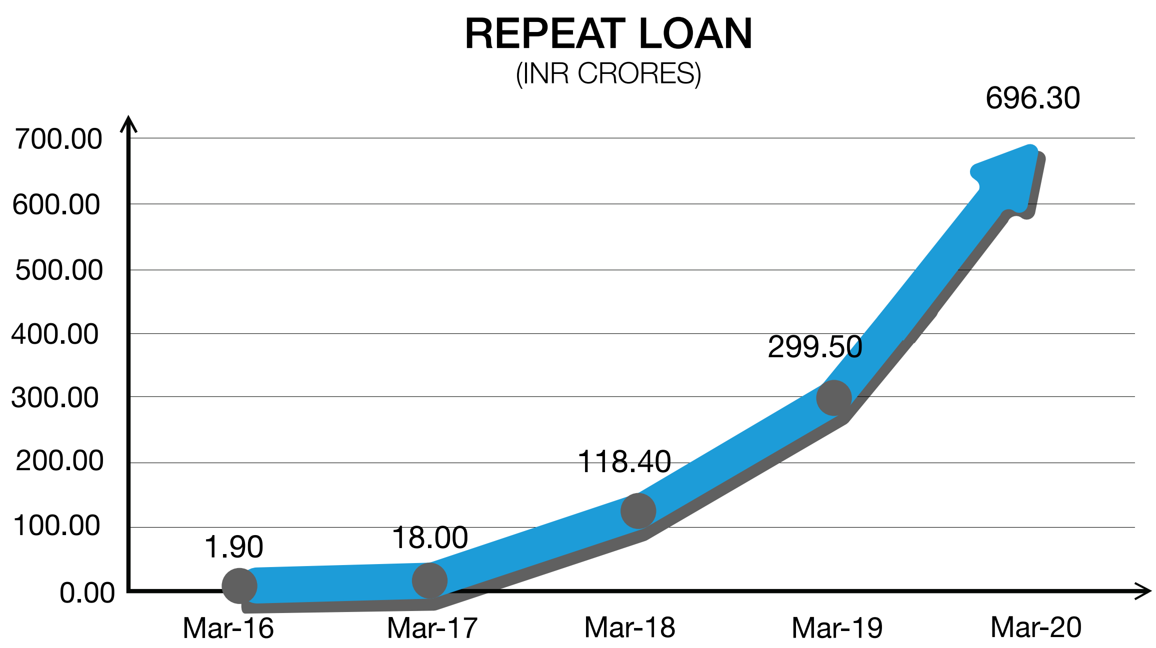
Enhancing our Repeat Loan Process

The solution involves a Machine Learning model to predict credit risk of customers using their behavioral data along with several other information, dividing the repeat-eligible customers into multiple risk segments (based on probability of default predicted using the model). This data-driven insight is used to prune the list and define risk based multipliers (on their ongoing loan ticket size, to calculate the repeat loan amount). This approach allows for a reduced high-risk segment size, disbursing higher amounts to lowest risk segments, and focusing efforts on the lower risk segments.

Bounce Prediction Algorithm

Another major strategic project built and deployed during the FY 2019-20 is on prediction of bounce likelihood. This solution involves another Machine Learning model which predicts the likelihood of bounce in the next EMI due, for each customer. The predictions are then used to segment customers based on their risk of bounce in the next EMI. This allows us to optimally allocate resources on pre-EMI communication efforts to where it's likely to be most required and effective and overall bounce control strategies are optimized accordingly.

There are several other major strategic projects to bolster and sharpen our underwriting and collection processes in the DSAI pipeline and will be developed over the coming years.



Customers at the center of our business

Our customers remain at the center of our business and our efforts are focused towards providing them seamless experience and becoming their partners in progress. This approach has always pushed us to go further and extend services, which makes Aye a lender of choice for the micro enterprise sector. We understand their needs and challenges and hence have designed our processes and products that mirror their comfort. Our Net Promoter Score is 82% which is an indicator of the loyalty we have built.
This year we integrated our customer service team with the branch teams to allow for a more coordinated approach of reaching the customer and to benefit from the synergies of the model. We also expanded our services and launched dedicated call centers in Pune and Bangalore as well to address the regional vagaries and extend customized service to our customers.

Extending repeat loans

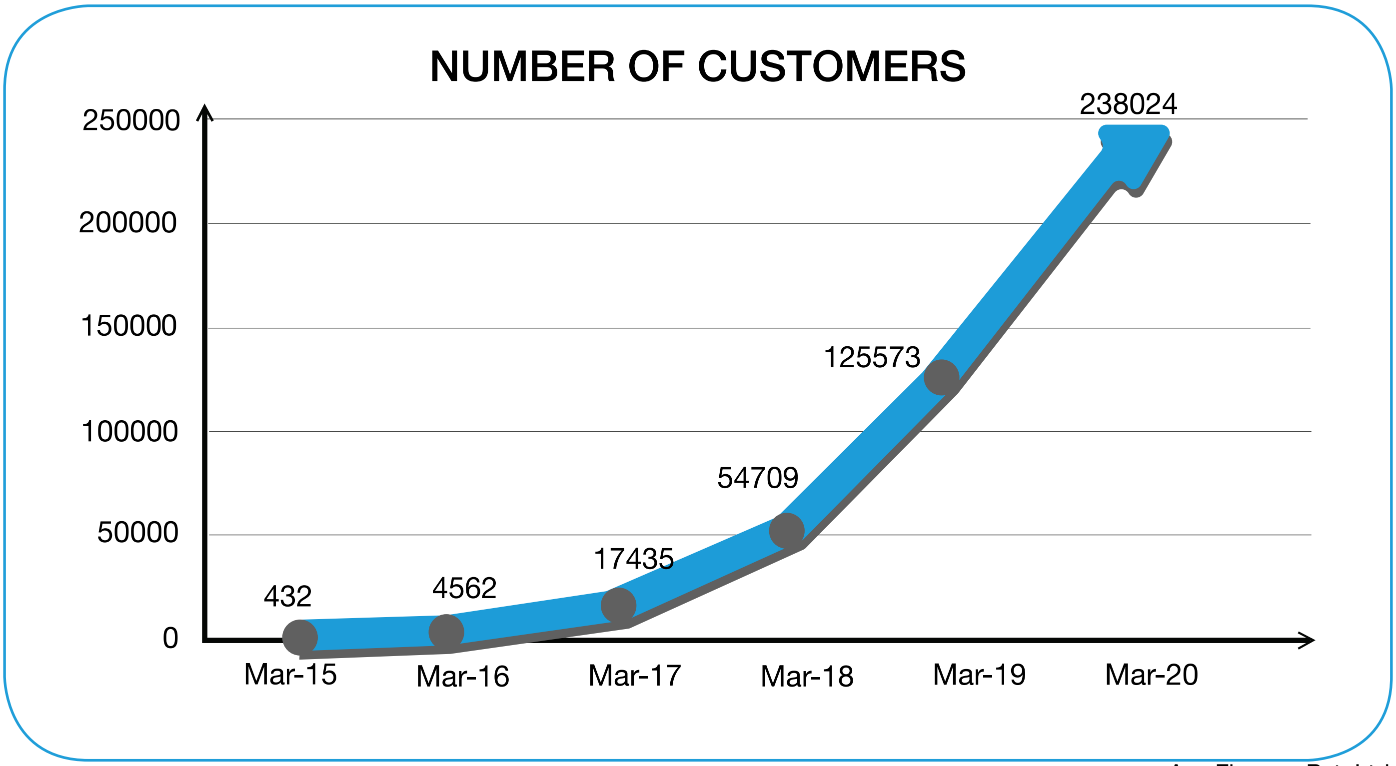
The call center teams in Gurgaon, Pune and Bangalore own the repeat loan process and handhold the customers through the entire process. Since we understand our customers better after one cycle of loan, call center allows us to bypass some field steps that are not critical to repeat loan processing without compromising risk assessment. This allows for faster loan processing, reduced TAT and enabling product refinement basis customer feedback on our products.

Supporting the digitization of the micro enterprises

The tele collection teams at our call centers not just give timely reminders to our customers for their repayments to allow them to keep their repayment record clean, they also educate our customers regarding the various digital methods available to them to make their payments.

Deploying Machine Learning Algorithms for improved efficiency

Using the extensive data available with us of over 2,30,000 customers, we designed Machine Learning Algorithms to segment customers basis various parameters of risk and their repayment record with us. This makes the credit assessment process more democratic by reducing manual intervention in every case, also reduces our average loan processing time and sets us up for growth.

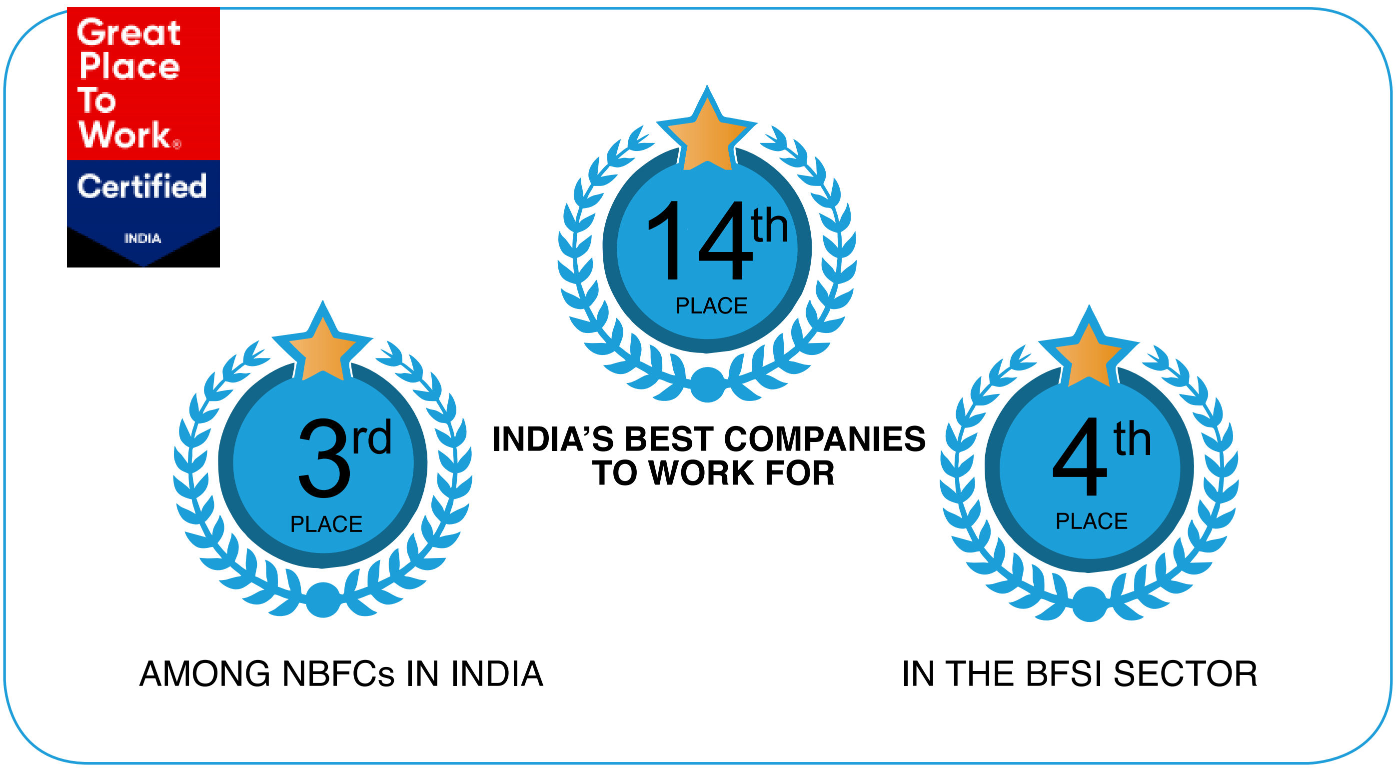


Leveraging technology towards HR Excellence

In 2019-20 we expanded our footprint to the East and West Zones and doubled our workforce. To create optimally effective teams we optimized our HR functions with digital tools. Web and Mobile versions of HRMS were launched as a one-stop shop for all employee related services which allowed us to reach each and every employee to nurture and develop them. Leveraging technology we made all core HR processes – recruitment, attendance and leave records, performance evaluation and even exits- paperless. This new construct ensured all tasks were brought about with greater ease and efficiency. Our customised HRMS gives each of our 3200 employees access to all of the information they need, enabling seamless manoeuvre of their employment information by them and their supervisors. HRMS has increased transparency of HR processes and having better control over their information has led to an increased sense of fairness and job satisfaction amongst our employees.

This year we also strengthened our digital learning platform ILM making it more robust and inclusive. Our training programmes are not restricted to classrooms and our employees are now micro- learning on the go. This year HR at Aye successfully transitioned from operational, administrative, functionally oriented, and reactive toward more strategic, consultative, business oriented, and proactive. The unit not only handles end-to-end HR activities for 3,200 employees, but is also a Think-Tank to the business. Whether it is a sales team discussion or collection strategy, HR not just has the chair on the table, it chairs the discussion on the table when needed. Every major initiative is planned after extensive data analysis through 5 automated dashboards and 50 trackers.

Our people are the happiest in the country and this happiness is evident in our satisfaction surveys. Our Great Place to Work survey score is 93% which has been acknowledged as very, very high even by Great Place to Work Institute team. We were certified as a Great Place to Work second year in a row, and our ranking jumped from 53rd to 14th in the top 100 Best Places to Work. We were also ranked amongst the best workplaces in the NBFC segment and we are part of the top 20 best workplaces in the BFSI industry second year in a row.



Technology: Key Driver of Innovation at Aye

At Aye, technology is a key driver of innovation, enabling us to improve, adapt and be flexible to the unique needs of our customers and the changing business landscape. The IT unit, thus, is not looked at as a mere support function but an integral player at the heart of operations influencing business strategies and shaping our business.

Launching new systems

This year we built on the strong technology foundation laid in the previous years and successfully implemented RPA and Business Process Automation Software. Using the BPM tool, the company automated multiple Field Intelligence processes such as Loan Utilization Checks, Early OD detection and Field Audits. These systems have helped us keep a check on the quality of our loan book and maintain it well below the industry standards.

We also developed in-house mobile applications used in LOS and Field Intelligence modules with robust capabilities such as AI/ML based OCR to extract KYC data from various documents, capture the audio and videos uploaded by field staff for video KYC and other analytic purposes. This led to a faster turnaround time and improved efficiency of the field team allowing us to deliver the credit lines seamlessly to our customers.

Increasing the expanse of existing systems

We increased the functionalities of existing system and added various features to integrate the various processes that touch the customer during its life cycle. This allowed for a fluid flow of reliable and robust data across various systems leading to improved turnaround times and quality of our loan product.

Data Security and Privacy

Being a Systemically Important NBFC, we have enforced a Data Security and Privacy Policy which is in accordance with the RBI master directions. We set up a Security Operations Center that monitors and mitigates the real time threats arising due to cyber-attacks.

Providing “Beyond Financing” Support to Micro Enterprises

Aye Finance was founded with a mission to transform the micro scale enterprise financing in India. For the past six years each one of us at Aye has been tirelessly working to bring this credit starved albeit credit worthy sector into the folds of organized lending and powering their growth. When micro enterprises progress, they have a multiplier effect on their business ecosystem – creating jobs, improving education of children, better health & safety awareness and better nutrition etc.

To contribute towards the holistic growth of this critical sector and provide beyond financing support to them, Aye launched its wholly owned Section 8 Company FAME (Foundation for Advancement of Micro Enterprises) in April this year. FAME carries out CSR activities under the direction and policy on CSR adopted by Aye Finance Pvt. Ltd in line with the schedule VII of the Companies Act, 2013. The Company primarily focuses on projects or programs that include promoting and development of
(a) livelihoods
(b) rural development
(c) skill development
(d) benefit of the socially weaker section

In FY 19-20, FAME focused on two important areas:

a. Building marketing management skills to enhance livelihood of unorganized micro businesses in small towns
b. Improving the effectiveness of dairy farming in rural and semi urban locations

Enhancing livelihood of micro enterprises

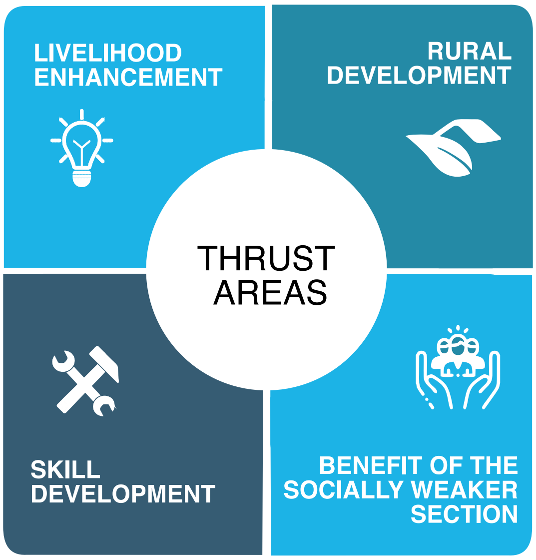
Under this program a sports manufacturing cluster was chosen in the town of Meerut. There are a large number of micro scale unorganized units that lack good market development capabilities. Many unit owners have been in manufacturing sports items but have stayed micro in scale due to this deficiency. This project provided guidance to a large number of micro business owners, on optimal practices in manufacturing and marketing sports goods. The program delivered knowledge and skills around the three key dimensions - Improving Quality of Products, Enhancing Marketing Capabilities and Improving Compliance Levels & Business Documentation. To help the manufacturers improve the quality of their products, master craftsmen and quality

micro scale manufacturers were identified who had been in the business for many years, who conducted various Quality Trainings for the FAME members. Samples manufactured post these trainings showed visible improvement in the product.
To enhance their marketing capabilities and to introduce the members to new marketing avenues, orientation sessions by a consultant specialized on e-commerce setup with Amazon were organized for the members. Sessions were also conducted by influencers in the clusters who had been selling on online marketplaces to share their experience as well as to set realistic expectations. 30% of members were onboarded on Amazon.in – Prime.

To improve the members' compliance levels and their business documentation, they were sensitized to the requirements and benefits of GST Registration. The registration was completed for members who expressed interest.

Improve the effectiveness of dairy farming

Under this program, FAME launched its flagship initiative The Dairy Farmer Development program. Through this program, the Foundation has been working to improve the income of rural households from dairy farming. Advisory was provided on how to prevent livestock diseases and on improving the productivity of their cattle. A qualified veterinary doctor of the Indian Army conducted awareness session on educating the dairy farmers on preventing common health issues of cattle and on increasing the probability of artificial insemination of cattle, key aspects of dairying like breed improvement, nutrition and steps to improve the milk production. Specific queries the farmers had regarding the health of their cattle were also addressed by the veterinarian. The program ran from November 2019 and over 146 dairy farmers benefited from the program.
Animal Health Camps were also organized for the members to provide veterinarian service right at their doorstep. Animal Farms were conducted in 3 villages and over 500 cattle were examined.



Awards and Recognition

Rank 14th
amongst the
Top 100 Places to Work by
GPTW

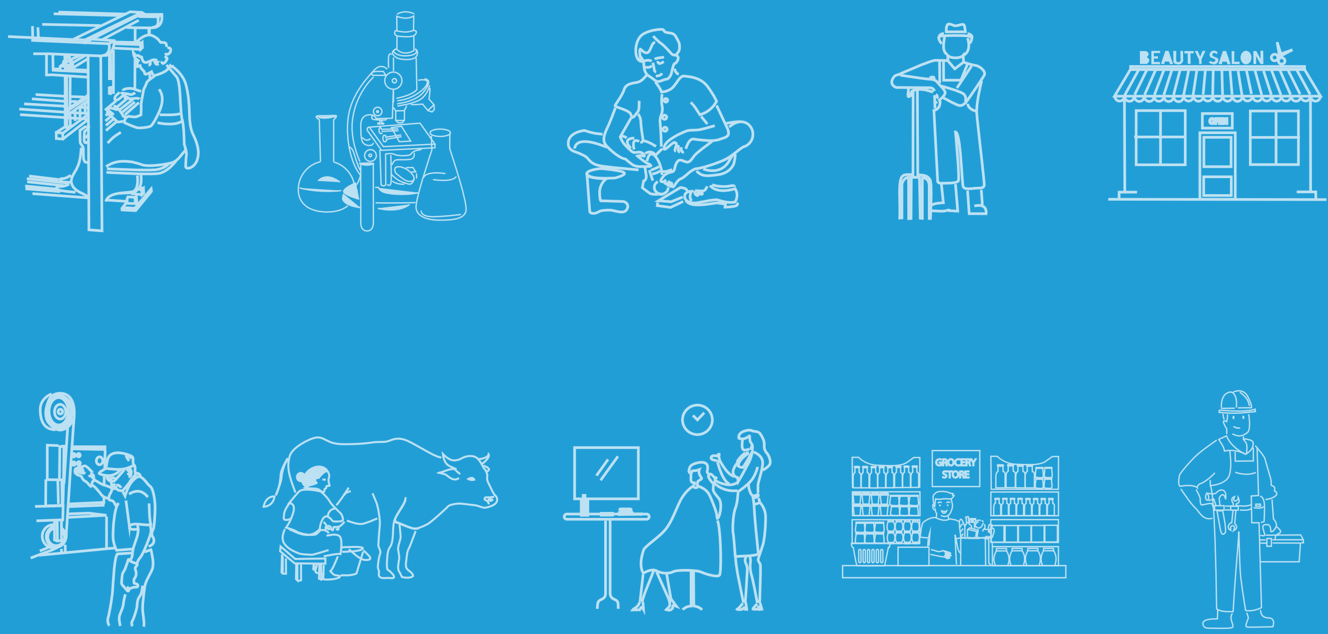
MeitY Digi-Dhan Fintech Award
for innovation of digital payments
through lending

Inclusive Finance India Awards 2019
Non-Banking Finance Company
lending to Micro and Small
Enterprises category.

ET BFSI Excellence Award 2019
Most Innovative NBFC of the
Year

Governance Now
SME Connect Award

BusinessWorld Digital India Award
Cluster-Based Credit Assessment
of Micro Enterprises



BOARD OF DIRECTORS

Board of Directors

Sanjay Sharma heads the management of the organization. He has worked in Consumer Banking for over 25 years. He 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. Headed the Credit Cards at ICICI. 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. Awards – the Best Mortgage Bank from Banker Middle East and 4th most admired Financial Institution in the Region by Gulf Business. He is an Alumnus of IIT-Mumbai(1983) and IIM-Bangalore(1987)

SANJAY SHARMA
MANAGING DIRECTOR

Vikram is the co-founder and 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. He was the Country Head for 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. He is an 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 CFO. for Standard Chartered and the Wholesale Bank at ANZ Grindlays India. Vivek holds a degree in Chemical Engineering from BITS Pilani and a MBA. from the University of Iowa.

VIVEK MATHUR
NOMINEE DIRECTOR
SAIF PARTNERS

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

KARTIK SRIVATSA
NOMINEE DIRECTOR LGT CAPITAL
ASPADA INVESTMENT ADVISORS

Kartik is a Co-Founder and the Managing Partner of Aspada Investment Advisors and also acts as the fund advisor for the SONG Fund through Aspada Capital Advisors. Prior, he was with Lightspeed Venture Partners, a global venture capital firm where he was a founding member of the India office. He was a management consultant with McKinsey and Company. He is a graduate of the Indian Institute of Technology [IIT), Madras. Kartik currently serves on the Boards of SV Agri, Classklap, Capital Float EM3, Waycool Foods and Ummeed Housing Finance.

Navroz serves as the Chief Executive Officer, Co-Founder, and Partner at Falcon Edge Capital, LP. Mr. Udwadia was a Partner at Eton Park Capital Management, L.P., specializing in emerging markets. He serves as Director of Ver se' Innovation Pvt. Ltd. Mr. Udwadia is a Rhodes Scholar.

NAVROZ DARIUS UDWADIA
NOMINEE DIRECTOR
FALCON EDGE CAPITAL

PROF. KANIKA TANDON BHAL
INDEPENDENT DIRECTOR

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.

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.

N.K MAINI
INDEPENDENT DIRECTOR

VINAY BAIJAL
INDEPENDENT DIRECTOR

Mr. Vinay Baijal is a distinguished professional having served as CGM at RBI where he has led 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.

Directors' Report

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

Your Directors have pleasure in presenting their 27th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2020.

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, proprietorship or partnership firms.

FINANCIAL SUMMARY/HIGHLIGHTS, STATE OF AFFAIRS

The Company's financial performance for the year ended March 31, 2020 is summarized below:

Amount in Rupees crores

PARTICULARS	31ST MARCH 2020	31ST MARCH 2019
Revenue from operations	411.73	209.79
Other income	1.20	0.59
Total revenue	412.93	210.38
Expenses		
Employee benefit expenses	122.62	60.02
Finance costs	140.87	73.22
Depreciation and amortization expenses	7.88	4.98
Other expenses	36.52	22.17
Total expenses	372.98	176.72
Profit before tax	39.95	33.66
Tax Expenses	7.54	9.64
Profit after tax	32.41	24.02
Earnings per share		
Basic	11.74	11.29
Diluted	11.59	11.18

Directors' Report

OPERATIONS, FUND RAISE, PROSPECTS AND FUTURE PLANS

Operational Highlights

- The Net loan portfolio of the Company stood at Rupees 1685.32 crores as on March 31, 2020. This represents a year on year (YoY) growth of 68.10% as compared to March 31, 2019.
- Loan amount of Rupees 996.46 crores was disbursed in FY 2019-20 representing an increase of 103.17% as compared to FY 2018-19.
- The Company has operations spread across 173 branches set up in 18 states/ union territories.

During the Financial Year under review, the Company saw 34.9% increase in its profitability with a net profit after tax of Rupees 32.41 crores as compared to Rupees 24.02 crores for the year ended March 31, 2019. Total income has increased from Rupees 210.38 crores for the year ended March 31, 2019 to Rupees 412.93 crores for the year ended March 31, 2020 which is mainly due to increase in gross loan portfolio of the Company. The Return on Average Loan Assets decreased to 2.29% in FY 2019-20 as compared to 3.31% in FY 2018-19. The cost of funds declined to 12.75% in FY 2019-20 as compared to 13.30% in FY 2018-19. On account of the above, the Net Interest Margin improved to 16.19 % in FY 2019-20 as against 14.15% in FY 2018-19.

The Company has Long term Credit Rating upgraded to India Ratings A- Stable and to ICRA BBB+ Stable.

Fund raised during FY 2019-20

- **Resource mobilisation**

  During the year under review, your company has continued to diversify the sources of funds and raised a sum of Rupees 729.20 crores by way of short-term loans, long-term loans, issue of Non- Convertible Debentures, Securitization & External Commercial Borrowings which has helped the Company to achieve its' business target for FY 2019-20. Out of overall borrowings, Company has raised funds through issuance of Non-Convertible Debentures, has successfully completed six Non-Convertible Debentures issuance during FY 2019-20 raising Rupees 729.20 crores. The Company has also raised funds through External Commercial Borrowing (ECB) route of Rupees 34.50 crores. The aggregate debt outstanding as on 31st March, 2020 was Rupees 1389.01 crores. The Company has been regular in servicing all its debt obligations.

- **Bank Finance**

  Bank Finance remains an important source of funding for your Company. Banks continued their support to your Company. As of March 31, 2020, borrowings from banks were Rupees 115.12 crores as against Rupees 111.52 crores in the previous fnancial year.

Impact of Covid-19

The pandemic Covid-19 has disrupted routine commerce and financial activities across all types of businesses in India including MSMEs and micro enterprises. Delays in repayment of loans and credit facilities can be expected to rise due to inability of borrowers to deposit cash proceeds into their bank accounts and also due to the financial disruption of their businesses.

The Government of India has taken various swift actions to navigate the nation through this pandemic. Even the Reserve Bank of India (RBI) has announced various measures including moratorium on EMI payment for loans, TLTRO, PCG Scheme, restructuring option for lenders, etc.

Further, there are expectations that the government will announce further financial support for the weaker individuals and MSME businesses. In spite of these actions, the expected negative impact on the micro enterprises will be significant.

Company's Prospects, Future Plans and Business Overview

Given the pandemic the current macro-economic outlook might be colored with pessimism, however, we believe in the inherent potential in the Indian economy and its financial ecosystem to grow and thrive in a post pandemic world.

For the Covid-19, Aye Finance has a thought out plan to continue to operate successfully through the challenges posed by the pandemic.

- <u>**Customer**</u> – During this time of crisis, it is important to stay in touch with customers and help them in whatever way we can to navigate through these tough times. Given our strong IT infrastructure back end, we have enabled our people to be actively in touch with the customers.

- **<u>Employees</u>** – We have taken various steps as a part of our BCP to ensure safety of our colleagues. Fortunately, of the 3000+ staff members across 18 states, no one has been tested positive for the virus (as on 7th of April). Following are the key initiatives:
  - Setting up of Aye Health Committee (AHC): Setup on 9 March, AHC comprises of department heads and key personnel working on planning and execution of various initiatives that AHC may recommend. AHC is spearheaded by Managing Director for quick and decisive action.
  - Work from home: Starting 17th March, the Company had started planning to test its WFH facilities and WFH was implemented for the entire organization from 23rd March 2020.
  - Training and Communication: The HR Department of AYE has been sending tutorials to all the employees on symptoms and other important details of Covid-19 infection. Every employee, through our online training module, has been asked to take up a small learning test on Covid-19 to ensure that everyone is sensitized towards the gravity of situation and takes adequate care.
  - Insurance and Health Check-ups: we ensured that the company health insurance covers the Covid pandemic.

- **<u>Liquidity</u>** – The Company has been able to keep healthy liquidity profile despite the pandemic. We have raised Rupees 500+ Crore of fresh funds including equity and debt from April 2020 till August 2020. We have been in constant touch with our financiers and have been providing them with relevant updates on the business.

- **<u>Credit Quality</u>** – We conducted an internal assessment of the potential impact of Covid-19 on our clusters. Based on this assessment, we devised granular interdepartmental strategies to coordinate the Distribution, Credit and Collections and Customer Service teams to achieve optimal roll-down rates of repayment dues. Further, we reached out to our customers and informed them about the benefits of continuous payment and costs of moratorium, so that they could take an informed decision

Future plan and outlook – we remain cautiously optimistic.
In the immediate term, whereas there would be an impact on the overall financial sector and MSMEs lenders in particular; we at Aye Finance are reasonably confident to overcome the challenges given our experienced management team, focused field staff, robust processes and supportive financiers.
In the long term, we would like to be in a state of preparedness for the post Covid-19 world and would be ready to support and partner with our customers to help them face new business realities. We remain firmly bullish and committed to India’s potential and growth story.

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 20% of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. During FY 19-20 an amount of Rupees 6.48 Crores has been transferred to such reserve. An amount of Rupees 3.60 Crores has been transferred to Share option outstanding account during FY 19-20.

DIVIDEND

During the year under review, the company has earned a Profit after Tax of Rupees 32.41 crores. However the Board of Directors do not recommend any dividend for FY 2019-20.

CAPITAL STRUCTURE

As on 31st March, 2020 Authorized Capital of the Company was Rupees 28 Crores, Issued, Subscribed and fully Paid-up capital was Rupees 27.04 crores.

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

Your Company has in place strong internal audit processes and systems which design an audit plan to ensure optimum portfolio quality and keep risks at bay. There is a risk based audit methodology for branch audits which are planned based on various risk based parameters. There is an in-house Internal Audit department who takes care of internal control processes. The Audit Committee of the Board of Directors, comprising of Independent Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company. Information System Security controls enable the Company to keep a check on technology-related risks and also improve business efficiency and distribution capabilities. Your Company is committed to invest in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

MATERIAL EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2020 and the date of this report.

DETAILS OF SUBSIDIARY COMPANY

Statement related to Subsidiary Company has been given in Form AOC-1 in Annexure – A forming part of this Report. Further the Company has neither any Associates nor any Joint Ventures as on March 31, 2020.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies Corporate Social Responsibility Policy Rules 2014, the Company has stablished the Corporate Social Responsibility Committee. The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available at (https://ayefin.com/policies/).

During the period under review, the Company has contributed R. 0.18 Crores to Foundation for Micro Enterprises(FAME) which is a not-for-profit company, within the meaning of Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956), was incorporated in India on April 4, 2019. FAME carries out CSR activities under the direction and policy on CSR adopted by Aye Finance P Ltd in line with the schedule VII of the Companies Act, 2013. The Company primarily focusses on projects or programs that include promoting and development of (a) livelihoods, (b) rural development (c) skill development (d) and benefit of the socially weaker section.

In FY 19-20, FAME focused on two important areas: a) Building marketing management skills to enhance livelihood of unorganized micro businesses in small towns b) Improving the effectiveness of dairy farming in rural and semi urban locations.

As per the requirement of Rule 8 of the Companies Corporate Social Responsibilities Rules, 2014 the Annual Report on CSR is annexed as **Annexure - B** to this report.

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 financial year 2019-20.

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.

AUDITORS & AUDITORS' REPORT

Statutory Auditors & their reports

M/s Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No. 117366W/W-10018 have been appointed on the recommendation of Audit Committee and the Board of Director's (in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies Audit and Auditors Rules, 2014 including any amendments thereto, as the Statutory Auditors of the Company for a period of 5 years for FY 2015-16 to FY 2019-20.

Since the tenure of present auditors is expiring at the ensuing Annual General Meeting, the Board of Directors of the company on the recommendation of Audit Committee and subject to shareholder's approval recommends the appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants having Registration No. 101049W/E300004 for a period of Five years from the conclusion of Twenty Seventh AGM until the conclusion of Thirty Second AGM. The remuneration of the Auditors shall be decided by the Board of Directors of the Company. Your Company has also received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 (including any amendments thereto) and the said appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The Auditors' Reports for the financial year 2019-20 does not contain any qualification, reservation, adverse remark or disclaimer. Further, there were no instances of any fraud reported by the Statutory Auditor to the Board pursuant to Section 143 (12) of the Companies Act, 2013.

The Board has placed on record its sincere appreciation for the services rendered by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company.

Secretarial Auditors & their Report:

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and based on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s. Brajesh Kumar & Associates, Company Secretaries as Secretarial Auditors of the Company for the financial year 2019-20 in its meeting dated February 28, 2020.The Company has provided all the assistance and the facilities to the Secretarial Auditors for conducting the Secretarial Audit. Secretarial Audit Report as provided by the Secretarial Auditors is also annexed to this Report, in the prescribed Form MR-3, as Annexure C. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Board has placed on record its sincere appreciation for the services rendered by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company.

Secretarial Auditors & their Report:

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and based on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s. Brajesh Kumar & Associates, Company Secretaries as Secretarial Auditors of the Company for the financial year 2019-20 in its meeting dated February 28, 2020.The Company has provided all the assistance and the facilities to the Secretarial Auditors for conducting the Secretarial Audit. Secretarial Audit Report as provided by the Secretarial Auditors is also annexed to this Report, in the prescribed Form MR-3, as Annexure C. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Board has placed on record its sincere appreciation for the services rendered by M/s. Brajesh Kumar & Associates, Company Secretaries as Secretarial Auditors of the Company.

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

No such case has been reported by the Auditors in their report. However during the year under review, one instance of fraud has been reported by the Company to Reserve Bank of India in compliances with the RBI norms on monitoring and reporting of Frauds.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 10 times during the year under review. The meetings were held on following dates-

SR. NO.	MEETING DATE	SR. NO.	MEETING DATE
1.	24-04-2019	6.	31-10-2019
2.	20-05-2019	7.	20-11-2019
3.	20-06-2019	8.	10-12-2019
4.	18-07-2019	9.	28-02-2020
5.	25-09-2019	10.	19-03-2020

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. As on March 31, 2020, The Board of Directors of your Company consists of total nine Directors.

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
Mr. Kartik Srivatsa	Director	03559152	20/02/2020	-	Appointment
Mr. Abhishek Agrawal	Director	06760344	31/01/2020	-	Cessation
Mr. Rajat Arora	Director	07201387	21/06/2019	-	Cessation
Mr. Abhishek Agrawal	Director	06760344	30/04/2019	-	Appointment
Mr. Vikas Raj	Director	01952782	24/04/2019	20/02/2015	Cessation

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

STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE U/S 149(6) FROM INDEPENDENT DIRECTORS

The Board has Independent Directors and there is an appropriate balance of skills, experience and knowledge in the Board to enable the Board to discharge its functions and duties effectively. The Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Section 149 (6) of Companies Act, 2013

EMPLOYEES STOCK OPTION PLAN

Pursuant to the approval accorded by members at their Annual General Meeting held on September 30, 2019, the members has approved the ESOP Plan 2016. The Company has granted 5,60,294 Options exercisable into equal number of Equity Shares in the Company of face value of Rs. 10/- each fully paid-up to the eligible employees of the Company under ESOP 2016, in one or more tranches.

The eligibility of employees to receive grants under the Plan has been decided by Nomination & Remuneration Committee from time to time at its sole discretion.

PARTICULARS	AYE ESOP PLAN 2016
Number of options granted during the year	3,07,122
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	51,061
Number of options exercised during the year	Nil*
Exercise Price (In Rs.)	29
Number of shares arising as a result of exercise of options	Nil*
Variation in terms of options	n/a
Money realized by exercise of options in Rs. lakhs , if scheme is implemented directly by the Company	n/a
Total number of options in force	4,50,195
Employee wise details of options granted to:	
i. Key Managerial Personnel;	7,000
ii. any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year;	46,109
iii. identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant.	Nil

* Bonus in lieu of ESOPs were provided to employees and 56372 ESOPs were surrenderred by employees

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. Vinay Baijal, Chairman and Independent Director
	Mr. Navin Kumar Maini, Independent Director
	Mr. Sanjay Sharma, Managing Director
Risk Committee	Mr. Navin Kumar Maini, Chairman and Independent Director
	Mr. Vinay Baijal, Independent Director
	Mr. Vivek Mathur, Director
	Mr. Sanjay Sharma, Managing Director
Asset and Liabilities Committee (ALCO)	Mr. Sanjay Sharma, Chairman of the Committee and Managing Director
	Mr. Vikram Jetley, Director
	Mr. Vivek Mathur, Director
	Mr. Ashish Sharma, Chief Financial Officer
	Mr. Sumiran Das, Director
	Mr. Navroz Darius Udwadia, Director
Nomination and Remuneration Committee	Ms. Kanika Tandon Bhal, Chairperson of the Committee and Independent Director
	Mr. Navin Kumar Maini, Independent Director
	Mr. Kartik Srivatsa, Director
Corporate Social Responsibility Committee	Mr. Kanika Tandon Bhal, Independent Director and Chairperson of the Committee
	Mr. Sanjay Sharma, Managing Director
	Mr. Kartik Srivatsa, 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
	Mr. Ram Sachdeva, DVP Finance
	Mr. Shivam Arora, AVP Finance

Information Technology Steering Committee	Mr. Sanjay Sharma, Chairman of the Committee and Managing Director
	Mr. Vikram Jetley, Director
	Mr. Ravinder Oberoi - Audit & Vigilance
	Mr. Ashish Ojha - IT
	Mr. Niraj Kaushik - Credit
	Mr. Piyush Maheshwari - Credit
	Mr. Abhishek Sharma - Distribution
	Mr. B.N.Bala Murali - Distribution-South
	Mr. Mayank Mathur - Operations
	Mr. Sukhwinder Singh - Collection
	Mr. Tejamoy Ghosh - DSAI
	Mr. Sovan Satyaprakash - Strategy
	Mr. Ankur Sharma - HR
	Mr. Neeraj Sachdev - Administration
	Ms. Ritu Pandey - IT-Security
Information Technology Strategy Committee	Mr. Sanjay Sharma, Chairman of the Committee and 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 30.49% as on March 31, 2020.

POLICIES

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 (https://ayefin.com/policies/).

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 (https://ayefin.com/policies/).

REGULATORY ACTION/APPROVAL

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and its 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, 2020 the company had 3171 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.

i. the steps taken or impact on conservation of energy- Not Applicable
ii. the steps taken by the company for utilising alternate sources of energy- Not Applicable
iii. the capital investment on energy conservation equipment’s- Not Applicable

TECHNOLOGY ABSORPTION:

The Company has seen successful implementation of Lead Management, Loan Origination, Collection Management, Navision ERP and Data Warehouse systems. The company has also adopted the policies as per the RBI master 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 behavioural 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.

i. the efforts made towards technology absorption- Not Applicable
ii. the benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable
   - the details of technology imported- Not Applicable
   - the year of import- Not Applicable
   - whether the technology been fully absorbed- Not Applicable
   - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof- Not Applicable
iv. the expenditure incurred on Research and Development- Not Applicable

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
Responsibility Financial Inclusion Investment	3,627,925.00	USD	52,800.54	Processing fees paid for External Commercial Borrowing
Law Debenture Corporate Services Limited	36,409.80	Pound	420.00	Professional Services availed
GAWA Capital Partners S.L.	467,470.00	EURO	5,886.79	Due diligence fees
LINKEDIN SINGAPORE PTE LTD	431,100.00	USD	6,000.00	Professional services availed
NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR	534,450.00	USD	7,500.00	Processing fees paid against subscription of NCDs
MASALA INVESTMENT S.A. R. L.	2,323,754.00	USD	32,742.76	Processing fees paid against subscription of NCDs
AAV S.A. R. L.	2,323,754.00	USD	32,742.76	Processing fees paid against subscription of NCDs

PERFORMANCE EVALUATION

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board of Directors have formulated a policy for performance evaluation (same is covered under the Nomination and Remuneration Policy of the Company of its own performance, of various mandatory Committees of the Board and of the individual Directors).

In view of the Board approved Nomination and Remuneration Policy, the Independent Directors in their separate meeting held on March 26, 2020 under Schedule IV of the Companies Act, 2013 had:

i. reviewed the performance of Non-Independent Directors and the Board as a whole;
ii. reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive Directors; and
iii. Assessed the quality, quantity and timelines of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Further, in terms of the provisions of Section 178 of the Companies Act, 2013, the performance evaluation process of all the Independent and Non-Independent Directors of the Company were carried out by the Nomination and Remuneration Committee in its meeting held on September 29, 2020 and made recommendation to the Board. The Board took into consideration the recommendation received from the Nomination and Remuneration Committee and completed the performance evaluation process. The entire performance evaluation process was completed to the satisfaction of Board.

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 (https://ayefin.com/policies/) post the ensuing Annual General Meeting of the Company.

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

The particulars of Investments u/s 186 of the Companies Act, 2013 has been furnished in Note 7 to the Financial Statement forming part of this report. There was no loan given or Guarantee provided as covered under the provision of Section 186 of the Act.

PARTICULARS OF RELATED PARTY TRANSACTIONS

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The Policy provides for identification, necessary approvals by the Audit Committee/ Board, reporting and disclosure requirements in compliance with the requirements of the Companies Act, 2013. All transactions entered by the Company during the financial year with related parties were on arms' length basis and in the ordinary course of business. All such RPTs were placed before the Audit Committee/ Board for approval wherever applicable.

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 E**.

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, 2020, there was one case reported to the committee and the same has 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/-	Sd/-
(Sanjay Sharma) Managing Director DIN: 03337545	(Vikram Jetley) Whole-time Director DIN:06530212

Date: 30-09-2020
Place: Gurugram

Annexure -A

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

SL. NO.	PARTICULARS	DETAILS
1	Name of the subsidiary	Foundation for Advancement of Micro Enterprises
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4	Share capital	Authorised Share Capital-INR 1,00,00,000 Issued Paid up and subscribed- INR 25,00,000
5	Reserves & surplus	INR 1,02,379
6	Total assets	INR 2,914,705
7	Total Liabilities	INR 2,914,705
8	Investments	N.A.
9	Turnover	N.A.
10	Surplus before taxation	INR 1,60,704
11	Provision for taxation	INR 58,325
12	Surplus after taxation	INR 1,02,379
13	Proposed Dividend	N.A.
14	% of shareholding	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NAME OF ASSOCIATES/JOINT VENTURES	NOT APPLICABLE		
Latest audited Balance Sheet Date			
Shares of Associate/Joint Ventures held by the company on the year end			
• No.			
• Amount of Investment in Associates/Joint Venture			
• Extend of Holding%			
Description of how there is significant influence			
Net worth attributable to shareholding as per latest audited Balance Sheet			
Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

For Aye Finance Private Limited

Sd/-	**Sd/-**
Sanjay Sharma	**Vikram Jetley**
(Managing Director)	**(Director)**
Din: 03337545	**Din: 06530212**

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-**
Corporate Social Responsibility (CSR) is the Company's contribution to social and economic development of the local community in which we operate and to society at large. Your Company is committed to spend a minimum of 2% of the average net profits for the immediately preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

2. **The Composition of the CSR Committee-**
The CSR Committee of the Company consists of the following Directors:
I. Ms. Kanika Tandon Bhal, Independent Director
II. Mr. Sanjay Sharma, Managing Director
III. Mr. Kartik Srivatsa, Director

3. **Average net profit of the company for last three financial years-** INR 9.15 Crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)-** INR 18.30 Lakhs

5. **Details of CSR spent during the financial year:**
   a) **Total amount to be spent for the financial year-** INR 18.30 Lakhs
   b) **Amount unspent, if any;** Nil
   c) **Manner in which the amount spent during the financial year is detailed below:**

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or Programs was under-taken	Amount outlay (budget) project or programs-wise (Lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads : Lakh	Cumulative expenditure up to the reporting period (Lakh)	Amount spent: Direct or through implementing agency*
1	Building marketing management skills to enhance livelihood of unorganized micro businesses in small towns	Livelihood Enhancement; Skill Development for Advancement of Micro Enterprises	Meerut (Uttar Pradesh)	0.30379		0.30379	Implementing Agency (Foundation for Advancement of Micro Enterprises)

2	Improving the effectiveness of dairy farming in rural and semi urban locations	Livelihood Enhancement; Skill Development; Rural Development	Meerut (Uttar Pradesh)	0.69008		0.69008	Implementing Agency (Foundation for Advancement of Micro Enterprises)
3	Financial Literacy Training	Skill Development	Meerut (Uttar Pradesh)	0.18195		0.18195	Implementing Agency (Foundation for Advancement of Micro Enterprises)
4	Renovation of a Playing Ground for a Delhi based Girls Orphanage “Kilkari”	Benefit of the Socially Weaker Section	Kashmere Gate (Delhi)	2.183		2.183	Implementing Agency (Foundation for Advancement of Micro Enterprises)
	TOTAL			**3.35882**		**3.35882**	

*Details of implementing agency: Aye has incorporated Foundation for Advancement of Micro Enterprises (“FAME”), a wholly owned Section 8 subsidiary. FAME has been set up for planning and implementing the CSR activities and providing non-financial support to the target beneficiaries.

6. We hereby state that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Date: September 30, 2020

By Order of the Board

For Aye Finance Private Limited

Sd/-
Kanika Tandon Bhal
(Chairwoman of CSR Committee)
DIN: 06944916

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

Annexure -C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

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

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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms, website and returns filed and other records maintained by the Company, to the extent the information provided by the Company , its officer (Company Secretary), agents, authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2020 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 the 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 to the company during the audit period)**

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; and (**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)**
i. Other regulations as applicable and (Circulars and Guidelines issued therein)

vi. The other laws and regulations applicable on the company mentioned 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 Labor Law

We have also examined compliance with the applicable clauses of the following:
    i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
    ii. The Listing Agreements entered into by the Company with BSE Limited or Stock Exchange(s), if applicable;

To the best of my knowledge, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. that are applicable on the Company.

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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held on short notice 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.
Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes. **(There is no dissenting note present in the minutes).**

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 Department)**

We further report that during the audit period the company has issued debentures through private placement and has complied with the applicable laws, Rules, and Regulations etc.

,

Place: Delhi
Date: 29/08/2020
UDIN: F006965B000633184

Brajesh Kumar & Associates
(Company Secretary)
Sd/-
Brajesh Kumar
FCS No.: 6965, CP No.:7497

Annexure -D

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

SL. NO.	PARTICULARS	DETAILS
1	The ratio of the remuneration* of each director to the median remuneration of the employees of the company for the financial year	FY 2019-20: • Managing Director-56 • Whole-time Director-50
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 2018-19 to FY 2019-20:** • Managing Director-40% • Whole-time Director-53% • Chief Financial officer-23% • Company Secretary-31%
3	Percentage increase in the median remuneration* of employees in the financial year;	27%
4	The number of permanent employees on the rolls of company	3141 as on 31st March 2020
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: • employees other than the managerial personnel – 20% • managerial personnel – 40%.
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-	
	• 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;	Sanjay Sharma and Vikram Jetley
	• 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

*** Remuneration for this calculation includes Annualised Fixed Annual Cash Salary and Annual bonus**

Aye Finance Private Limited

Sd/-	Sd/-
(Sanjay Sharma) Managing Director DIN: 03337545	(Vikram Jetley) Director DIN:06530212

Annexure -E

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.

1. **Details of contracts or arrangements or transactions not at Arm’s length basis.**
   There were no contracts or arrangements or transactions entered during the year ended March 31, 2020, which were not at arm’s length basis

2. **Details of contracts or arrangements or transactions at Arm’s length basis.**
   There were no material contracts or arrangements or transactions entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm’s length basis, the details of which are given in the Notes to the Financial Statements.

For Aye Finance Private Limited

Sd/-	**Sd/-**
(Sanjay Sharma) **Managing Director** **DIN: 03337545**	**(Vikram Jetley)** **Director** **DIN:06530212**

AUDITED FINANCIAL REPORT

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

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, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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, and based on the consideration of reports of the other auditors on separate financial statements of the Trust referred to in the Other matters section below, 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 (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 44 to the Financial Statements, which fully describes uncertainties and the Management assessment of impact on the Business operations and on the Impairment provision of financial assets due to breakout of Covid-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the Covid-19 pandemic. The extent to which the COVID-19 pandemic will have impact on the Company's financial performance and business operations is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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.

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

SR. NO.	KEY AUDIT MATTER	AUDITOR'S RESPONSE
1.	**Impairment of Financial Assets** The Company exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Because loans and advances form a major portion of the Company's assets, and due to the significance of the judgements used in classifying loans and advances into various stages stipulated in IND AS 109 and determining related provision requirements, this audit area is considered a key audit matter	We gained understanding of the key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes; For exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the provisioning methodology, assessed the reasonableness of the underlying's assumptions and the sufficiency of the data used by the management. • With respect to impairment methodology, our audit procedures comprised the following: • We read the Company's Ind-AS 109 based impairment provisioning policy and compared it with the requirements of IND-AS 109 ; For a sample of exposures, we checked the appropriateness of the Company's staging. • We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the models) used by the Company to determine impairment provisions; • Appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; • We checked the completeness of loans and advances included in the ECL calculations as at the period end; • We understood the ECL guidance as per IND AS 109 and tested the mathematical integrity of the Models; • Where relevant, we used Information system specialists to gain comfort on data integrity; • We checked consistency of various inputs and assumptions used by the management to determine impairment provisions.
2.	**IT System and controls over financial reporting** 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".	We involved our IT specialists to obtain an understanding of the Entity's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified Loan Management software primarily as relevant for financial reporting.We involved our IT specialists to obtain an understanding of the Entity's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified Loan Management software primarily as relevant for financial reporting.

SR. NO	KEY AUDIT MATTER	AUDITOR'S RESPONSE
	Thus there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified Loan Management software primarily as relevant for financial reporting. For key IT systems pertaining to Loan Management Software, which is used to manage the entire portfolio of loans and advances, our areas of audit focus included access security (including control over privileged access), program change controls, database management and network operations. In particular • General IT controls design, and operation: We tested the design, implementation and operating effectiveness of the entity's general IT controls over the key IT systems that are critical for managing the loan portfolio. We 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 program/system change management, program development and computer operations. • User access controls operation: We obtained management's evaluation of the access rights granted to applications relevant to financial accounting and 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. This also includes evaluation of the entity's controls to evaluate segregation of duties and access rights being provisioned/ modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; • 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. • Evaluating the design and operating effectiveness of automated controls critical to financial accounting and reporting • We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the 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 aforesaid 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 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the financial statements of which we are the independent auditors. For the other entities or business activities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 standalone 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 standalone 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.

Other Matters

We did not audit the financial statements of Aye Finance Welfare Trust ("the Trust") included in the financial statements of the Company whose financial statements reflect total assets of ` 1.76 crores as at March 31, 2020 and total revenue of ` 0.0095 crores for the year ended on that date, as considered in the financial statements. The financial statements have been audited by other auditor whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of trust is based solely on the report of such other auditors.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

The comparative financial information of the Company for the year ended March 31, 2019 and the related transition date opening balance sheet as at April 01, 2018 included in these financial statements, have been prepared after adjusting previously issued the financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

The comparative financial information for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 in respect of trust included in this financial statements prepared in accordance with the Ind AS have been audited by the other auditor.

Our opinion on the financial statements is not modified in respect of this the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the Trust, referred to in the Other Matters section above we report, to the extent applicable 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 and the reports of the other auditor.
c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.
g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
h. 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.
i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34 of the financial statements.
    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 40 of the financial statements.
    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company- Refer Note 41 of the financial statements.

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. 117365W- W-100018)

Sameer Rohatgi
(Partner)
(Membership No. 094039)
UDIN: 20094039AAAABL5227

Place: Gurugram
Date

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, 2020 in conjunction with our audit of the IND AS 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 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

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, 2020, 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. 117365W- W-100018)

Sameer Rohatgi
(Partner)
(Membership No. 094039)
UDIN: 20094039AAAABL5227

Place: Gurugram
Date: July 20, 2020

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. According to the information and explanations given to us, 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, 2020 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.
c. Details of dues of Income Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:-

NAME OF STATUTE	NATURE OF DUES	FORUM WHERE PENDING	PERIOD TO WHICH IT RELATES	AMOUNT (IN ` CRORES)
Income Tax Act, 1961*	Income Tax	CIT(A)	AY 2017-18	2.44

* The Company has paid ` 0.48 crores as demand against protest.
There are no dues of Service Tax and Goods and Service Tax, as on March 31, 2020 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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.

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)
UDIN: 20094039AAAABL5227

Place:-Gurugram
Date

Aye Finance Private Limited
Balance Sheet as at March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	3	172.15	140.43	11.22
Bank balance other than cash and cash equivalents	4	55.99	25.84	16.60
Derivative financial instruments	5	3.28	-	-
Loans	6	1,685.32	1,002.57	440.82
Investments	7	0.25	68.41	40.82
Other financial assets	8	40.82	23.19	8.20
Non-Financial Assets				
Current tax assets (Net)	9	1.03	-	0.84
Deferred tax Assets (Net)	10	29.32	13.10	8.59
Property, plant and equipment	11	5.78	3.10	2.28
Right of use assets	50	11.53	5.60	3.56
Capital work-in-progress		1.21	0.09	1.17
Other intangible assets	12	0.49	0.95	0.02
Other non-financial assets	13	4.84	6.01	1.30
Total Assets		**2,012.01**	**1,289.29**	**535.42**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I)Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	14	0.54	0.06	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	15.83	9.99	4.10
(II)Other Payables		-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	15	861.15	475.05	230.47
Borrowings (other than debt securities)	16	527.86	280.09	204.38
Lease liability	50	12.11	5.71	3.40
Other financial liabilities	17	63.49	23.90	12.38
Non-Financial Liabilities				
Current tax liabilities (Net)	18	-	4.65	-
Provisions	19	7.62	3.99	2.04
Other non-financial liabilities	20	6.72	4.62	2.09
EQUITY				
Share Capital	21	27.04	27.04	15.83
Other Equity	22	489.67	454.19	60.72
Total Liabilities and Equity		**2,012.01**	**1,289.29**	**535.42**
Significant accounting policies	2			
See accompanying notes forming part of these financial statements.	3-59			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi Digitally signed by Sameer Rohatgi Date: 2020.07.27 19:25:05 +05'30'

Sameer Rohatgi
Partner

For and on behalf of the board of Directors

SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2020.07.27 16:41:47 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY Digitally signed by VIKRAM JETLEY Date: 2020.07.27 15:15:01 +05'30'

Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY Digitally signed by TRIPTI PANDEY Date: 2020.07.27 15:26:47 +05'30'

Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA Digitally signed by ASHISH SHARMA Date: 2020.07.27 15:16:24 +05'30'

Ashish Sharma
Chief Financial Officer

Place : Gurugram

Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operations			
Interest Income	23	392.22	199.83
Fees and commission income	24	9.25	5.47
Net gain on fair value changes	25	10.25	4.49
Total Revenue from operations (I)		**411.73**	**209.79**
Other Income (II)	26	1.20	0.59
Total Income (III)=(I+II)		**412.93**	**210.38**
Expenses			
Finance Costs	27	140.87	73.22
Impairment on financial assets	28	65.08	16.33
Employee Benefits Expenses	29	122.62	60.02
Depreciation and amortization	30	7.88	4.98
Other expenses	31	36.52	22.17
Total Expenses (IV)		**372.98**	**176.72**
Profit before tax (V)=(III-IV)		39.95	33.66
Tax Expense: (VI)		**7.54**	**9.64**
(1) Current Tax		23.68	14.09
(2) Deferred Tax		(16.14)	(4.46)
(3) Tax for earlier years		0.00	-
Profit for the year (VII)=(V-VI)		**32.41**	**24.02**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss Re-measurement (gains)/ losses on defined benefit plans		0.31	0.18
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.05)
Other Comprehensive Income		0.23	0.13
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		32.18	23.89
Earnings per equity share (for continuing operations)			
Basic (₹)	33	11.74	11.29
Diluted (₹)	33	11.59	11.18
Significant accounting policies	2		
See accompanying notes forming part of these financial statements.	3-59		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi Digitally signed by Sameer Rohatgi Date: 2020.07.27 19:26:31 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2020.07.27 16:43:38 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY Digitally signed by VIKRAM JETLEY Date: 2020.07.27 15:16:58 +05'30'

Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY Digitally signed by TRIPTI PANDEY Date: 2020.07.27 15:28:07 +05'30'

Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA Digitally signed by ASHISH SHARMA Date: 2020.07.27 15:17:25 +05'30'

Ashish Sharma
Chief Financial Officer

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	39.95	33.66
Adjustments for:		
Depreciation and amortization on property, plant and equipment	3.28	2.32
Depreciation on right to use assets	4.60	2.66
Unrealised gain on investments in mutual fund	(0.51)	(0.33)
Unrealised foreign exchange loss	3.19	-
Gain on sale of investments	(6.97)	(4.49)
Other comprehensive income/ (loss)	(0.23)	(0.13)
Change in the fair value of hedged item of interest rate risk	(3.28)	-
Interest income in respect of investing activity	(4.51)	(3.43)
Interest on leases assets	1.57	0.81
Finance costs	136.11	72.41
(Profit)/Loss on sale of property, plant and equipment	0.01	(0.00)
Expense on employee stock option scheme	3.30	0.40
Expenses for gratuity and leave encashment	2.19	1.01
Impairment on financial assets	46.15	8.46
Loans and advances written off	18.94	7.86
Operating Profit/Loss before Working Capital changes	**243.78**	**121.22**
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in loans	(747.84)	(578.07)
(Increase)/ Decrease in other financial assets	(16.63)	(14.01)
(Increase)/ Decrease in other non-financial assets	1.17	(4.70)
(Increase)/ Decrease in trade payables	6.32	5.94
(Increase)/ Decrease in other financial liabilities	24.42	2.45
(Increase)/ Decrease in other non-financial liabilities	2.10	2.53
(Increase)/ Decrease in lease liabilities	(5.70)	(3.20)
(Increase)/ Decrease in provisions	1.43	0.94
Cash Generated From/ (Used in) Operations	**(490.96)**	**(466.90)**
- Taxes (Paid) / Refunds (Net)	(29.44)	(8.66)
Net Cash Generated From/ (Used) in Operating Activities	**(520.40)**	**(475.57)**

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment and intangible assets	(6.64)	(3.02)
Proceeds from sale of assets	0.02	0.02
Purchase of investment at amortised cost	(1,171.00)	(1,034.90)
Proceeds from sale of investments	1,246.13	1,011.80
Bank balances not considered as cash and cash equivalents	(30.15)	(9.24)
Interest received on deposits with bank	4.03	2.78
Net Cash Generated From / (Used) in Investing Activities	**42.38**	**(32.56)**
Cash Flow From Financing Activities:		
Proceeds from debts	395.78	246.83
Proceeds from borrowings	534.59	330.63
Repayment of debts	(9.68)	(2.25)
Repayment of borrowings	(290.01)	(254.92)
Purchase of equity	(0.00)	380.39
Interest Paid	(120.93)	(63.34)
Net Cash Generated from / (Used in) Financing Activities	**509.74**	**637.34**
Net Increase/ (Decrease) in Cash and Cash Equivalents	32	129
Cash and Cash Equivalents at the Beginning of the Year	140.43	11.22
Cash and Cash Equivalents at the end of the year	**172.15**	**140.43**
Cash and Cash Equivalents at the end of the year comprises of		
Cash in hand	2.18	1.38
Cheques on Hand	-	-
Balances with Banks in Current Accounts	119.93	54.05
Others	50.04	85.00
TOTAL	**172.15**	**140.43**

See accompanying notes forming part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi Digitally signed by Sameer Rohatgi Date: 2020.07.27 19:28:03 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2020.07.27 16:39:30 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY Digitally signed by VIKRAM JETLEY Date: 2020.07.27 15:18:00 +05'30'

Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY Digitally signed by TRIPTI PANDEY Date: 2020.07.27 15:45:59 +05'30'

Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA Digitally signed by ASHISH SHARMA Date: 2020.07.27 15:18:38 +05'30'

Ashish Sharma
Chief Financial Officer

Aye Finance Private Limited
Statement of Changes in Equity for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Equity Share Capital

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting year	4,830,500	48,305,000	4,830,300	48,303,000	4,830,300	48,303,000
Changes in equity share capital during the year	-	-	200	2,000	-	-
Balance at the end of the reporting year	4,830,500	48,305,000	4,830,500	48,305,000	4,830,300	48,303,000

Other Equity

	Reserves and Surplus				Other Items of Other Comprehensive Income	Total
	Statutory reserve under section 45IC of RBI Act	Securities Premium	Share option outstanding account	Retained Earnings		
Balance at the beginning of the reporting year 2017	**0.00**	**83.64**	**0.11**	**(12.91)**	-	**70.84**
Profit for the year	-	-	-	(10.53)	-	**(10.53)**
Dividends	-	-	-	(0.00)	-	**(0.00)**
Transfer to/ from retained earnings	0.46	-	-	(0.46)	-	-
Additional provision created	-	-	0.41	-	-	**0.41**
Balance at the end of the reporting year 2018	**0.46**	**83.64**	**0.52**	**(23.91)**	-	**60.72**
Share issue expenses	-	**(0.23)**	-	-	-	**(0.23)**
Profit for the year	-	-	-	24.02	-	**24.02**
Dividends	-	-	-	(0.00)	-	**(0.00)**
Transfer to/ from retained earnings	4.80	-	-	(4.80)	(0.13)	**(0.13)**
Premium on issue of share capital	-	369.41	-	-	-	**369.41**
Additional provision created	-	-	0.40	-	-	**0.40**
Balance at the end of the reporting year 2019	**5.27**	**452.82**	**0.92**	**(4.69)**	**(0.13)**	**454.19**
Profit for the year	-	-	-	32.41	-	**32.41**
Dividends	-	-	-	-	-	-
Transfer to/ from retained earnings	6.48	-	-	(6.48)	(0.23)	**(0.23)**
Additional provision created	-	-	3.60	-	-	**3.60**
Utilisation of provision	-	-	(0.30)	-	-	**(0.30)**
Balance at the end of the reporting year 2020	**11.75**	**452.82**	**4.22**	**21.24**	**(0.36)**	**489.67**

Significant accounting policies 2
See accompanying notes forming part of these financial statements. 3-59

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27 19:29:40 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA
Digitally signed by SANJAY SHARMA
Date: 2020.07.27 16:46:11 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JAITKEY
Digitally signed by VIKRAM JAITLEY
Date: 2020.07.27 15:19:27 +05'30'

Vikram Jetley
Director
DIN: 06530212

ASHISH SHARMA
Digitally signed by ASHISH SHARMA
Date: 2020.07.27 15:20:16 +05'30'

Ashish Sharma
Chief Financial Officer

TRIPTI PANDEY
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Tripti Pandey
Company Secretary
M. No. - 32760

1. General 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 Act, 1934 to carry on the business of a Non-Banking Financial Company (NBFC) without acceptance of public deposits. The Company is currently a systemically important non deposit taking Non Banking Finance Company (ND-NBFC) as defined under Section 45 – IA of the Reserve Bank Of India Act, 1934. Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non-Banking Financial Company are applicable to the Company. The registered office of the Company is situated in Delhi.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2020

2. Significant Accounting Policies:

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.
The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS.The date of transition to Ind AS is April 1, 2018. The financial statements upto the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability. Refer Note 51 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of Preparation:

The financial statements have been prepared on a going concern basis the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the policies below
Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
• Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

2.3 Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

2.4 Revenue Recognition:

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

(i) Interest income

EIR Method

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

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

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

Recognition of Interest income

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).The calculation of the EIR includes all fees i.e. Application fees and Processing fees received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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

(ii) Net gain or fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iii) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract i.e. on a time proportionate basis. This includes cheque bouncing charges, late payment charges and prepayment charges etc. which are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

2.5 Leases:

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

The Company as a lessee

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

Transition:
Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2018 using full retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount at the date of initial application. This is as per the MCA notification dated March 30, 2019 on " Companies (Indian Accounting Standards) Amendment Rules, 2019". Thus value of Right to use assets and lease liabilities are same as on April 1, 2018.

The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under AS 19.

2.6 Foreign currency transactions and translations:

The functional currency and presentation currency of the company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Initial recognition

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using exchange rate on the date of transaction.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

2.7 Employee benefits:

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

(i) Short term employee benefits:

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

(ii) Post- employment benefits:

(a) Defined contribution plan

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

(b) Defined benefit Plan

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

(iii) Long-term employee benefits

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

(iv) Termination benefits

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

2.8 Taxation:

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

(i) **Current Tax**

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

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

Minimum alternative tax payable under the provisions of the Income Tax Act, 1961 is recognised as an asset in the year in which credit become eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates.

(ii) **Deferred Tax**

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

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

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

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

(iii) Current and deferred tax for the year

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

2.9 Property, plant and equipment:

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

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

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

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018.

2.9 Property, plant and equipment (con't)

Depreciation/Amortisation

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

Leasehold improvements are amortised over the period of lease.

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

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

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

2.10 Intangible assets:

Recognition and measurement

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

Derecognition of Intangible assets

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

Transition to Ind AS
The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2018.

Useful lives of intangible assets

Estimated useful lives of the intangible asset for the current and comparative periods are as follows:

Computer software	3 years

2.11 Impairment of non financial assets

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

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount

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

2.12 Provisions, contingent liabilities and contingent assets:

(i) <u>Provisions</u>

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

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

(ii) <u>Contingent liabilities</u>

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

(iii) <u>Contingent assets</u>

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

2.13 Segment reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

2.14 Cash and cash equivalents:

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share-based payment arrangements:

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

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

2.16 Input tax credit:

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

2.17 Financial instruments:

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

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

(A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

For the purpose of Subsequent measurement, the Company classifies financial assets in following categories:

(i) Financial assets at amortized cost
(ii) Financial assets at fair value through other comprehensive income (FVTOCI)
(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets shall be measured at amortized cost if both of the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Subsequent measurement of financial assets

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

2.17 Financial instruments (cont'd):

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

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

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

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(B) <u>Financial liabilities</u>

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

2.18 Impairment of financial instruments:

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

(i) Expected credit losses are measured through a loss allowance at an amount equal to:

-The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

-Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs (Lifetime expected Credit losses) and 12 months ECLs are calculated on collective basis.

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

2.18 Impairment of financial instruments (con't)

Stage 1

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

Stage 2

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

Stage 3

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

(a) **Calculation of ECLs**

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

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

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

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

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

(b) The mechanics of the ECL method are summarised below:

Stage 1

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

Stage 2

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

Stage 3

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

(iii) Loss allowances for ECL are presented in the statement of financial position as follows:
• for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
• for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

2.18 Impairment of financial instruments (con't)

(iv) **Write offs**

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

2.19 Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i) changes during the period in operating receivables and payables transactions of a non-cash nature;

ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

iii) all other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.20 Earnings per share:

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss 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 shares outstanding during the period 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 period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.21 Borrowing Cost:

Borrowing costs include interest expense calculated using the EIR method.

2.22 Insurance Claims:

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

2.23 Derivative financial instruments

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

2.24 Significant management judgements in applying accounting policies and estimation uncertainty

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

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

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

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

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

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

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

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

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

2.24 Significant management judgements in applying accounting policies and estimation uncertainty (con't)

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

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

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

Further, based on current available information and based on the policy approved by the Board of Directors, the Company has determined the provision for impairment of financial assets. The Company has done industry wise assessment of possible impact of the COVID-19 pandemic and significant increase in credit risk based on delayed payments metrics is observed along with an estimation of potential stress on probability of defaults and exposures at default. Accordingly, the Company has measured additional impairment loss allowance on loans and increased its impairment provision from INR 61 crores to INR 71 crores. The total provision is approximately 4% of its total loan assets, which is adequate in the view of the Company considering the current information available.

Given the uncertainty over the potential macro-economic conditions and considering the fact that the Company primarily grants loans to customers with low credit worthiness and those, who are unable to obtain credit from normal banking channels, the impact of the COVID-19 health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions, including significant decline in the credit worthiness of its customers which will be given effect to in the subsequent respective periods.

3 Cash and cash equivalents

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 1, 2018**
Cash on hand	2.18	1.38	0.58
Balances with banks			
On current accounts	119.93	54.05	10.33
Fixed deposits with maturity of less than 3 months	50.04	85.00	0.31
Total	**172.15**	**140.43**	**11.22**

Notes :

a. There are no repatriation restrictions with respect to Cash and cash equivalents as at the end of the reporting year and prior years.

b. Cash in hand includes balance in prepaid cards obtained by Company for its routine expenses from the banks.

4 Bank balances other than Cash and cash equivalents

Fixed deposit with maturity for more than 3 months	-	5.74	6.90
Balances in earmarked accounts			
- Balance held as security against borrowings	9.28	9.55	6.78
- Balance held as security against securitisation	46.71	10.55	2.92
Total	**55.99**	**25.84**	**16.60**

Notes :

a. The bank deposits earn interest at fixed rates.

5 Derivative financial instruments

Financial assets carried at fair value

Cross Currency swap rate contract not designated in hedge accounting relationship	3.28	-	-
Total	**3.28**	**-**	**-**

Notional value of derivative financial instrument is ₹ 35 crores

6 Loans

Loans measured at amortised cost

Bills purchased and bills discounted	1.26	-	-
Revolving working capital	1.45	-	-
Term loans	1,752.37	1,026.95	459.61
Staff loan	1.57	0.75	0.39
Total - Gross	**1,757**	**1,028**	**460**
Less: Impairment loss allowance	71.33	25.14	19.18
Total - Net	**1,685.32**	**1,002.57**	**440.82**
(i) As per NBFC Directions- To Related Parties			
(i) Others	1,756.65	1,027.71	460.01
(ii) To Related Parties	-	-	-
Total (A) Gross	**1,756.65**	**1,027.71**	**460.01**
Less: Impairment loss allowance	71.33	25.14	19.18
Total (A) Net	**1,685.32**	**1,002.57**	**440.82**
Based on security			
(i) Secured	-	-	-
(ii)Unsecured	1,756.65	1,027.71	460.01
Total (B)-Gross	**1,756.65**	**1,027.71**	**460.01**
Less: Impairment loss allowance	71.33	25.14	19.18
Total (B)-Net	**1,685.32**	**1,002.57**	**440.82**
Based on region			
(C) (I) Loans in India			
(i)Public Sector			
(ii) Others	1,756.65	1,027.71	460.01
Total (C) (I) - Gross	**1,756.65**	**1,027.71**	**460.01**
Less: Impairment loss allowance	71.33	25.14	19.18
Total (C) (I) - Net	**1,685.32**	**1,002.57**	**440.82**
(C) (II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (C) (II) - Net	**-**	**-**	**-**
Total (C) (I) and (C) (II)	**1,685.32**	**1,002.57**	**440.82**

All amounts are in ₹ crores unless otherwise stated

7 Investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investments measured at fair value through Profit or loss			
Mutual funds	-	68.41	40.82
Investments carried at Fair value through Profit or loss	-	**68.41**	**40.82**
Investment in subsidiary at amortised cost (unquoted)			
249,999 equity shares of INR 10 in Foundation for advancement of Micro enterprises	0.25	-	-
Investments measured at amortised cost	**0.25**	-	-
Total - Gross	**0.25**	**68.41**	**40.82**
(i) Investments outside India			
(ii) Investments in India	0.25	68.41	40.82
Total	**0.25**	**68.41**	**40.82**
Less: Allowance for Impairment loss	-	-	-
Total - Net	**0.25**	**68.41**	**40.82**

8 Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest accrued			
- loans	31.50	15.68	7.03
- fixed deposit	1.49	1.01	0.36
Security Deposits	1.40	0.88	0.59
Employees Advances	0.34	0.23	0.11
Mutual Funds held as security in respect of borrowings	5.84	5.33	-
Other receivables	0.23	0.06	0.11
Total	**40.82**	**23.19**	**8.20**

9 Current Tax assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance Income tax (net of provisions ₹ 23.68)	1.03	-	0.84
Total	1.03	-	**0.84**

10 Deferred Tax assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax assets	29.32	13.10	8.59
Minimum Alternate Tax Credit entitlement	-	-	1.19
Provision for Minimum Alternate Tax	-	-	(1.19)
Total	**29.32**	**13.10**	**8.59**

13 Other Non Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
TDS Recoverable	0.10	0.17	0.06
Service Tax credit / Goods and service tax receivable	2.75	4.65	0.86
Capital advance	0.05	0.05	-
Prepaid expenses	1.65	0.81	0.37
Advance to Suppliers	0.30	0.33	0.01
Total	**4.84**	**6.01**	**1.30**

All amounts are in ₹ crores unless otherwise stated

11 Property, plant and equipment

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1,2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at April 1,2019	Depreciation expense for the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Furniture and fixtures	1.37	0.85	0.01	2.20	0.29	0.41	0.01	0.69	1.51
Office equipment	0.86	0.47	0.06	1.26	0.33	0.38	0.04	0.67	0.60
Electrical Installations and Equipment	0.16	0.13	0.01	0.29	0.02	0.05	0.01	0.06	0.22
Computers	1.85	3.24	0.00	5.09	0.84	1.54	0.00	2.38	2.72
Vehicle	0.04	-	-	0.04	0.01	0.01	-	0.02	0.02
Leasehold Improvement	0.38	0.59	-	0.97	0.08	0.18	-	0.26	0.71
Total	**4.67**	**5.28**	**0.09**	**9.86**	**1.57**	**2.57**	**0.06**	**4.09**	**5.78**

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation expense for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Furniture and fixtures	0.85	0.51	-	1.37	-	0.29	-	0.29	1.08
Office equipment	0.60	0.28	0.03	0.86	-	0.34	0.01	0.33	0.53
Electrical Installations and Equipment	0.06	0.11	0.01	0.16	-	0.02	0.00	0.02	0.15
Computers	0.56	1.31	0.02	1.85	-	0.85	0.01	0.84	1.02
Vehicle	0.04	-	-	0.04	-	0.01	-	0.01	0.03
Leasehold Improvement	0.16	0.22	-	0.38	-	0.08	-	0.08	0.30
Total	**2.28**	**2.44**	**0.05**	**4.67**	**-**	**1.60**	**0.03**	**1.57**	**3.10**

12 Intangible assets

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 1,2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at April 1,2019	Amortisation expense for the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Computer Software	1.68	0.24	-	1.92	0.72	0.71	-	1.43	0.49
Total	**1.68**	**0.24**	**-**	**1.92**	**0.72**	**0.71**	**-**	**1.43**	**0.49**

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation expense for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Computer Software	0.02	1.65	-	1.68	-	0.72	-	0.72	0.95
Total	**0.02**	**1.65**	**-**	**1.68**	**-**	**0.72**	**-**	**0.72**	**0.95**

All amounts are in ₹ crores unless otherwise stated

14 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.54	0.06	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.83	9.99	4.10
(II) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total	**16.36**	**10.05**	**4.10**

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.

15 Debt Securities

Debt Securities measured at Amortised Cost			
Redeemable Non-Convertible Debentures			
- Secured	762.16	473.96	229.95
- Unsecured	98.99	1.10	0.53
Total	861.15	475.05	230.47
Debt securities in India	861.15	475.05	230.47
Debt securities outside India	-	-	-
Total	**861.15**	**475.05**	**230.47**

Notes
Refer Note 15 (i) for the repayment details along with rate of interest and security details

16 Borrowings (Other than Debt Securities)

Borrowings measured at Amortised Cost			
Secured			
Term loans			
(i) from banks	102.95	99.50	18.37
(ii) from other financial institutions	116.45	111.29	141.11
(iii) external commercial borrowings	37.45	-	-
Liabilities in respect of securitised transactions	256.71	53.01	38.91
Loans repayable on demand*			
(i) from banks	11.50	11.30	1.00
(ii) from other financial institutions	2.80	5.00	5.00
Other loans (cash credit and overdraft from banks)- Total (A)	**527.86**	**280.09**	**204.38**
Borrowings in India	490.40	280.09	204.38
Borrowings outside India	37.45	-	-
Total (B) to tally with (A)	**527.86**	**280.09**	**204.38**

Notes
The Company has not defaulted in repayments of loans and interest during the year.
There is no debts/ borrowings measured at FVTPL or designated at FVTPL.
* Secured by hypothecation of Loan Receivables (current and future) / current assets/ cash and cash equivalents of the Company.
Refer Note 16 (i) for the repayment details along with rate of interest and security details

17 Other financial liabilities

At amortised cost			
Payable towards securitised loan portfolio	33.33	8.91	6.46
Interest accrued on borrowings and debt securities	30.17	14.99	5.92
Total	**63.49**	**23.90**	**12.38**

Aye Finance Private Limited
Notes forming part of the financial statements

15. Debt Securities (con't)

(i) 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, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	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 specfic receivables to the extent of 110% of the principal loan amount	14.0078%	13-May-22	27.00		27.00		27.00	
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 specfic receivables to the extent of 110% of the principal loan amount	14.0078%	17-Jun-22	27.00		27.00		27.00	
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 specfic receivables to the extent of 110% of the principal loan amount	13.6076%	29-Jul-22	26.00		26.00		26.00	
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 specfic receivables to the extent of 100% of the principal loan amount	13.4723% & 13.5468%	29-Aug-23	44.00		44.00		44.00	
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 specfic receivables to the extent of 100% of the principal loan amount	13.1000%	30-Oct-20	32.80		32.80		32.80	
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 specfic receivables to the extent of 100% of the principal loan amount	12.5873%	28-Mar-23	30.00		30.00		30.00	
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 specfic receivables to the extent of 100% of the principal loan amount	12.1000%	24-Jul-24	68.00		68.00		-	
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 specfic receivables to the extent of 110% of the principal loan amount	13.3750%	31-Oct-22	72.00		72.00		-	
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 specfic 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	-		2.32		-	
			29-Aug-19	-		2.38		-	
			29-Nov-19	-		2.45		-	
			29-Feb-20	-		2.53		-	
			29-May-20	2.61		2.61		-	
			29-Aug-20	2.69		2.69		-	
			29-Nov-20	2.77		2.77		-	
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 specfic receivables to the extent of 110% of the principal loan amount	13.5000%	24-Dec-25	70.00		70.00		-	
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1	No Security	12.1900%	16-Feb-21		20.00		20.00		20.00
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		25.00		25.00
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10	No Security	12.14%	06-Mar-24		20.00		20.00		-
Senior Un-Secured Rated Listed Redeemable De-Materialized Non-Convertible Debentures Series 1 issued on private placement basis of Rs.10/- each	No Security	12.29%	26-Jun-25		35.00		-		-

Aye Finance Private Limited
Notes forming part of the financial statements

15. Debt Securities (con't)

(i) 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, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
Senior Rated Un-Listed Redeemable De-Materialized Non-Convertible Debentures issued on private placement basis of Rs.1,00,000/- each	The Charge over the charged receivables shall be at all times 1x of the value outstanding	12.32%	05-Aug-22	32.00		-		-	
Secure Rated Listed Redeemable De-Materialized Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each	The Charge over the charged receivables shall be at all times 1x of the value outstanding	12.50%	05-Aug-22	41.40		-		-	
Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures Series-1 issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1.1x of the value outstanding	12.90%	29-Nov-22	107.00		-		-	
Senior, Secured, Un-Rated, Un-Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1x of the value outstanding	10.78%	25-Oct-23	125.00		-		-	
Senior, Secured, Rated, Un-Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	The Charge over the charged receivables shall be at all times 1x of the value outstanding	12.64% and 12.86%	31-Mar-23	58.00		-		-	

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	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 unedr lien with the bank in the form of Cash Collateral fixed deposits.	15.50%	2-May-18	-	-	-	-	0.19	-
			31-May-18	-	-	-	-	0.19	-
			2-Jul-18	-	-	-	-	0.19	-
			31-Jul-18	-	-	-	-	0.20	-
			31-Aug-18	-	-	-	-	0.22	-
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 unedr lien with the bank in the form of Cash Collateral fixed deposits.	15.50%	1-May-18	-	-	-	-	0.19	-
			31-May-18	-	-	-	-	0.19	-
			2-Jul-18	-	-	-	-	0.19	-
			31-Jul-18	-	-	-	-	0.19	-
			31-Aug-18	-	-	-	-	0.20	-
			1-Oct-18	-	-	-	-	0.21	-
					-				
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%	17-Apr-18	-	-	-	-	0.36	-
			17-May-18	-	-	-	-	0.37	-
			18-Jun-18	-	-	-	-	0.37	-
			17-Jul-18	-	-	-	-	0.38	-
			17-Aug-18	-	-	-	-	0.38	-
			17-Sep-18	-	-	-	-	0.38	-
			17-Oct-18	-	-	-	-	0.39	-
			19-Nov-18	-	-	-	-	0.39	-
			17-Dec-18	-	-	-	-	0.40	-
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%	30-Apr-18	-	-	-	-	0.19	-
			28-May-18	-	-	-	-	0.20	-
			28-Jun-18	-	-	-	-	0.20	-
			30-Jul-18	-	-	-	-	0.20	-
			28-Aug-18	-	-	-	-	0.21	-
			28-Sep-18	-	-	-	-	0.21	-
			29-Oct-18	-	-	-	-	0.21	-
			28-Nov-18	-	-	-	-	0.21	-
			28-Dec-18	-	-	-	-	0.22	-
			28-Jan-19	-	-	-	-	0.22	-
			28-Feb-19	-	-	-	-	0.22	-
			28-Mar-19	-	-	-	-	0.22	-
			29-Apr-19	-	-	-	-	0.22	-
			28-May-19	-	-	-	-	0.23	-
			28-Jun-19	-	-	-	-	0.23	-
			29-Jul-19	-	-	-	-	0.23	-
			28-Aug-19	-	-	-	-	0.24	-
			30-Sep-19	-	-	-	-	0.24	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	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 110% of the loan amount.	14.00%	27-Apr-18	-	-	-	-	0.13	-
			28-May-18	-	-	-	-	0.13	-
			27-Jun-18	-	-	-	-	0.13	-
			27-Jul-18	-	-	-	-	0.13	-
			27-Aug-18	-	-	-	-	0.13	-
			27-Sep-18	-	-	-	-	0.14	-
			29-Oct-18	-	-	-	-	0.14	-
			27-Nov-18	-	-	-	-	0.14	-
			27-Dec-18	-	-	-	-	0.14	-
			28-Jan-19	-	-	-	-	0.14	-
			27-Feb-19	-	-	-	-	0.15	-
			27-Mar-19	-	-	-	-	0.15	-
			29-Apr-19	-	-	-	-	0.15	-
			27-May-19	-	-	-	-	0.15	-
			27-Jun-19	-	-	-	-	0.15	-
			29-Jul-19	-	-	-	-	0.15	-
			27-Aug-19	-	-	-	-	0.16	-
			27-Sep-19	-	-	-	-	0.16	-
			28-Oct-19	-	-	-	-	0.16	-
			27-Nov-19	-	-	-	-	0.16	-
			27-Dec-19	-	-	-	-	0.16	-
			27-Jan-20	-	-	-	-	0.16	-
			27-Feb-20	-	-	-	-	0.17	-
			27-Mar-20	-	-	-	-	0.17	-
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	-	-	-	-	0.13	-
			4-Jun-18	-	-	-	-	0.13	-
			2-Jul-18	-	-	-	-	0.13	-
			2-Aug-18	-	-	-	-	0.13	-
			3-Sep-18	-	-	-	-	0.13	-
			2-Oct-18	-	-	-	-	0.14	-
			2-Nov-18	-	-	-	-	0.14	-
			3-Dec-18	-	-	-	-	0.14	-
			2-Jan-19	-	-	-	-	0.14	-
			4-Feb-19	-	-	-	-	0.14	-
			4-Mar-19	-	-	-	-	0.15	-
			2-Apr-19	-	-	-	-	0.15	-
			2-May-19	-	-	-	-	0.15	-
			3-Jun-19	-	-	-	-	0.15	-
			2-Jul-19	-	-	-	-	0.15	-
			2-Aug-19	-	-	-	-	0.15	-
			2-Sep-19	-	-	-	-	0.15	-
			2-Oct-19	-	-	-	-	0.16	-
			4-Nov-19	-	-	-	-	0.16	-
			2-Dec-19	-	-	-	-	0.16	-
			2-Jan-20	-	-	-	-	0.16	-
			3-Feb-20	-	-	-	-	0.16	-
			2-Mar-20	-	-	-	-	0.17	-
			2-Apr-20	-	-	-	-	0.17	-
			4-May-20	-	-	-	-	0.17	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	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 110% of the loan amount.	14.00%	1-May-18	-	-	-	-	0.13	-
			31-May-18	-	-	-	-	0.13	-
			2-Jul-18	-	-	-	-	0.12	-
			31-Jul-18	-	-	-	-	0.13	-
			31-Aug-18	-	-	-	-	0.13	-
			1-Oct-18	-	-	-	-	0.13	-
			31-Oct-18	-	-	-	-	0.13	-
			3-Dec-18	-	-	-	-	0.13	-
			31-Dec-18	-	-	-	-	0.14	-
			31-Jan-19	-	-	-	-	0.14	-
			4-Mar-19	-	-	-	-	0.14	-
			1-Apr-19	-	-	-	-	0.14	-
			1-May-19	-	-	-	-	0.14	-
			31-May-19	-	-	-	-	0.14	-
			1-Jul-19	-	-	-	-	0.14	-
			31-Jul-19	-	-	-	-	0.15	-
			2-Sep-19	-	-	-	-	0.15	-
			1-Oct-19	-	-	-	-	0.15	-
			31-Oct-19	-	-	-	-	0.15	-
			2-Dec-19	-	-	-	-	0.15	-
			31-Dec-19	-	-	-	-	0.16	-
			31-Jan-20	-	-	-	-	0.16	-
			2-Mar-20	-	-	-	-	0.16	-
			31-Mar-20	-	-	-	-	0.16	-
			1-May-20	-	-	-	-	0.16	-
			1-Jun-20	-	-	-	-	0.16	-
			1-Jul-20	-	-	-	-	0.17	-
			31-Jul-20	-	-	-	-	0.17	-
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	-	-	-	-	0.23	-
			29-May-18	-	-	-	-	0.24	-
			29-Jun-18	-	-	-	-	0.24	-
			30-Jul-18	-	-	-	-	0.24	-
			29-Aug-18	-	-	-	-	0.25	-
			1-Oct-18	-	-	-	-	0.24	-
			29-Oct-18	-	-	-	-	0.26	-
			29-Nov-18	-	-	-	-	0.25	-
			31-Dec-18	-	-	-	-	0.25	-
			29-Jan-19	-	-	-	-	0.26	-
			1-Mar-19	-	-	-	-	0.26	-
			29-Mar-19	-	-	-	-	0.27	-
			29-Apr-19	-	-	-	-	0.27	-
			29-May-19	-	-	-	-	0.27	-
			1-Jul-19	-	-	-	-	0.27	-
			29-Jul-19	-	-	-	-	0.28	-
			29-Aug-19	-	-	-	-	0.28	-
			30-Sep-19	-	-	-	-	0.28	-
			29-Oct-19	-	-	-	-	0.29	-
			29-Nov-19	-	-	-	-	0.29	-
			30-Dec-19	-	-	-	-	0.29	-
			29-Jan-20	-	-	-	-	0.30	-
			2-Mar-20	-	-	-	-	0.30	-
			30-Mar-20	-	-	-	-	0.30	-
			29-Apr-20	-	-	-	-	0.31	-
			29-May-20	-	-	-	-	0.31	-
			29-Jun-20	-	-	-	-	0.31	-
			29-Jul-20	-	-	-	-	0.31	-
			31-Aug-20	-	-	-	-	0.32	-
			29-Sep-20	-	-	-	-	0.32	-
			29-Oct-20	-	-	-	-	0.32	-
			30-Nov-20	-	-	-	-	0.33	-
			29-Dec-20	-	-	-	-	0.34	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	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%	9-Apr-18	-	-	-	-	0.22	-
			3-May-18	-	-	-	-	0.26	-
			4-Jun-18	-	-	-	-	0.24	-
			3-Jul-18	-	-	-	-	0.25	-
			3-Aug-18	-	-	-	-	0.24	-
			3-Sep-18	-	-	-	-	0.25	-
			3-Oct-18	-	-	-	-	0.25	-
			5-Nov-18	-	-	-	-	0.25	-
			3-Dec-18	-	-	-	-	0.26	-
			3-Jan-19	-	-	-	-	0.26	-
			4-Feb-19	-	-	-	-	0.26	-
			4-Mar-19	-	-	-	-	0.27	-
			3-Apr-19	-	-	-	-	0.27	-
			3-May-19	-	-	-	-	0.27	-
			3-Jun-19	-	-	-	-	0.27	-
			3-Jul-19	-	-	-	-	0.28	-
			5-Aug-19	-	-	-	-	0.27	-
			3-Sep-19	-	-	-	-	0.28	-
			3-Oct-19	-	-	-	-	0.28	-
			4-Nov-19	-	-	-	-	0.28	-
			3-Dec-19	-	-	-	-	0.29	-
			3-Jan-20	-	-	-	-	0.29	-
			3-Feb-20	-	-	-	-	0.29	-
			3-Mar-20	-	-	-	-	0.30	-
			3-Apr-20	-	-	-	-	0.30	-
			4-May-20	-	-	-	-	0.30	-
			3-Jun-20	-	-	-	-	0.31	-
			3-Jul-20	-	-	-	-	0.31	-
			3-Aug-20	-	-	-	-	0.31	-
			3-Sep-20	-	-	-	-	0.32	-
			5-Oct-20	-	-	-	-	0.32	-
			3-Nov-20	-	-	-	-	0.32	-
			3-Dec-20	-	-	-	-	0.33	-
			4-Jan-21	-	-	-	-	0.33	-
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	-	-	-	-	0.12	-
			28-May-18	-	-	-	-	0.12	-
			27-Jun-18	-	-	-	-	0.12	-
			27-Jul-18	-	-	-	-	0.12	-
			27-Aug-18	-	-	-	-	0.12	-
			27-Sep-18	-	-	-	-	0.12	-
			29-Oct-18	-	-	-	-	0.12	-
			27-Nov-18	-	-	-	-	0.13	-
			27-Dec-18	-	-	-	-	0.13	-
			28-Jan-19	-	-	-	-	0.13	-
			27-Feb-19	-	-	-	-	0.13	-
			27-Mar-19	-	-	-	-	0.13	-
			29-Apr-19	-	-	-	-	0.13	-
			27-May-19	-	-	-	-	0.14	-
			27-Jun-19	-	-	-	-	0.13	-
			29-Jul-19	-	-	-	-	0.13	-
			27-Aug-19	-	-	-	-	0.14	-
			27-Sep-19	-	-	-	-	0.14	-
			28-Oct-19	-	-	-	-	0.14	-
			27-Nov-19	-	-	-	-	0.14	-
			27-Dec-19	-	-	-	-	0.14	-
			27-Jan-20	-	-	-	-	0.14	-
			27-Feb-20	-	-	-	-	0.15	-
			27-Mar-20	-	-	-	-	0.15	-
			27-Apr-20	-	-	-	-	0.15	-
			27-May-20	-	-	-	-	0.15	-
			29-Jun-20	-	-	-	-	0.15	-
			27-Jul-20	-	-	-	-	0.16	-
			27-Aug-20	-	-	-	-	0.16	-
			28-Sep-20	-	-	-	-	0.16	-
			27-Oct-20	-	-	-	-	0.16	-
			27-Nov-20	-	-	-	-	0.16	-
			28-Dec-20	-	-	-	-	0.16	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
			27-Jan-21	-	-	-	-	0.16	-
			1-Mar-21	-	-	-	-	0.16	-
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	-	-	-	-	0.27	-
			1-May-18	-	-	-	-	0.27	-
			1-Jun-18	-	-	-	-	0.28	-
			1-Jul-18	-	-	-	-	0.28	-
			1-Aug-18	-	-	-	-	0.28	-
			1-Sep-18	-	-	-	-	0.29	-
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	-	-	-	-	0.07	-
			31-May-18	-	-	-	-	0.07	-
			30-Jun-18	-	-	-	-	0.07	-
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	-	-	-	-	0.63	-
			31-Jul-18	-	-	-	-	0.63	-
			31-Oct-18	-	-	-	-	0.63	-
			31-Jan-19	-	-	-	-	0.63	-
				-	-	-	-	-	-
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	-	-	-	-	0.09	-
				-	-	-	-	-	-
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	-	-	-	-	0.13	-
				-	-	-	-	-	-
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	-	-	-	-	0.15	-
			1-May-18	-	-	-	-	0.15	-
			1-Jun-18	-	-	-	-	0.15	-
			1-Jul-18	-	-	-	-	0.15	-
			1-Aug-18	-	-	-	-	0.15	-
			1-Sep-18	-	-	-	-	0.16	-
			1-Oct-18	-	-	-	-	0.16	-
			1-Nov-18	-	-	-	-	0.16	-
			1-Dec-18	-	-	-	-	0.16	-
			1-Jan-19	-	-	-	-	0.16	-
			1-Feb-19	-	-	-	-	0.17	-
			1-Mar-19	-	-	-	-	0.17	-
			1-Apr-19	-	-	0.17	-	0.17	-
			1-May-19	-	-	0.17	-	0.17	-
			1-Jun-19	-	-	0.17	-	0.18	-
			1-Jul-19	-	-	0.18	-	0.18	-
			1-Aug-19	-	-	0.18	-	0.18	-
			1-Sep-19	-	-	0.01	-	-	-
				-	-	-	-	-	-
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%	30-Apr-18	-	-	-	-	0.25	-
			31-Jul-18	-	-	-	-	0.25	-
			31-Oct-18	-	-	-	-	0.25	-
			31-Jan-19	-	-	-	-	0.25	-
			30-Apr-19	-	-	0.25	-	0.25	-
			30-Jul-19	-	-	0.25	-	0.25	-
				-	-	-	-	-	-

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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%	28-Jun-18	-	-	-	-	0.83	-
			28-Sep-18	-	-	-	-	0.83	-
			28-Dec-18	-	-	-	-	0.83	-
			28-Mar-19	-	-	-	-	0.83	-
			28-Jun-19	-	-	0.83	-	0.83	-
			28-Sep-19	-	-	0.83	-	0.83	-
				-	-	-	-	-	-
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%	30-Apr-18	-	-	-	-	0.30	-
			30-May-18	-	-	-	-	0.30	-
			30-Jun-18	-	-	-	-	0.30	-
			30-Jul-18	-	-	-	-	0.30	-
			30-Aug-18	-	-	-	-	0.30	-
			30-Sep-18	-	-	-	-	0.30	-
			30-Oct-18	-	-	-	-	0.30	-
			30-Nov-18	-	-	-	-	0.30	-
			30-Dec-18	-	-	-	-	0.30	-
			30-Jan-19	-	-	-	-	0.30	-
			28-Feb-19	-	-	-	-	0.30	-
			30-Mar-19	-	-	-	-	0.30	-
			30-Apr-19	-	-	0.30	-	0.30	-
			30-May-19	-	-	0.30	-	0.30	-
			30-Jun-19	-	-	0.30	-	0.30	-
			30-Jul-19	-	-	0.30	-	0.30	-
			30-Aug-19	-	-	0.30	-	0.30	-
			30-Sep-19	-	-	0.30	-	0.30	-
			30-Oct-19	-	-	0.30	-	0.30	-
			30-Nov-19	-	-	0.30	-	0.30	-
			30-Dec-19	-	-	0.30	-	0.30	-
			30-Jan-20	-	-	0.30	-	0.30	-
			29-Feb-20	-	-	0.30	-	0.30	-
			30-Mar-20	-	-	0.30	-	0.30	-
				-	-	-	-	-	-
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	-	-	-	-	0.58	-
			26-May-18	-	-	-	-	0.58	-
			25-Jun-18	-	-	-	-	0.58	-
			24-Jul-18	-	-	-	-	0.58	-
			26-Aug-18	-	-	-	-	0.58	-
			25-Sep-18	-	-	-	-	0.58	-
			26-Oct-18	-	-	-	-	0.58	-
			25-Nov-18	-	-	-	-	0.58	-
			25-Dec-18	-	-	-	-	0.58	-
			26-Jan-19	-	-	-	-	0.58	-
			23-Feb-19	-	-	-	-	0.58	-
			26-Mar-19	-	-	-	-	0.58	-
			23-Apr-19	-	-	0.58	-	0.58	-
			26-May-19	-	-	0.58	-	0.58	-
			25-Jun-19	-	-	0.58	-	0.58	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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	-	-	-	-	0.37	-
			1-Jun-18	-	-	-	-	0.37	-
			1-Jul-18	-	-	-	-	0.38	-
			31-Jul-18	-	-	-	-	0.38	-
			1-Sep-18	-	-	-	-	0.38	-
			1-Oct-18	-	-	-	-	0.39	-
			30-Oct-18	-	-	-	-	0.39	-
			1-Dec-18	-	-	-	-	0.39	-
			1-Jan-19	-	-	-	-	0.40	-
			1-Feb-19	-	-	-	-	0.40	-
			1-Mar-19	-	-	-	-	0.40	-
			1-Apr-19	-	-	-	-	0.41	-
			30-Apr-19	-	-	0.41	-	0.41	-
			1-Jun-19	-	-	0.41	-	0.41	-
			1-Jul-19	-	-	0.42	-	0.42	-
			30-Jul-19	-	-	0.42	-	0.42	-
			1-Sep-19	-	-	0.42	-	0.42	-
			1-Oct-19	-	-	0.43	-	0.43	-
			1-Nov-19	-	-	0.43	-	0.43	-
			1-Dec-19	-	-	0.44	-	0.44	-
			31-Dec-19	-	-	0.44	-	0.44	-
			1-Feb-20	-	-	0.44	-	0.44	-
			1-Mar-20	-	-	0.45	-	0.45	-
			31-Mar-20	-	-	0.45	-	0.45	-
			1-May-20	0.45	-	0.45	-	0.45	-
			1-Jun-20	0.46	-	0.46	-	0.46	-
			30-Jun-20	0.46	-	0.46	-	0.46	-
			1-Aug-20	0.47	-	0.47	-	0.47	-
			1-Sep-20	0.47	-	0.47	-	0.47	-
			29-Sep-20	0.47	-	0.47	-	0.47	-
			1-Nov-20	0.48	-	0.48	-	0.48	-
			1-Dec-20	0.48	-	0.48	-	0.48	-
				-	-	-	-	-	-
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	-	-	-	-	0.49	-
			31-May-18	-	-	-	-	0.49	-
			30-Jun-18	-	-	-	-	0.50	-
			31-Jul-18	-	-	-	-	0.50	-
			31-Aug-18	-	-	-	-	0.51	-
			30-Sep-18	-	-	-	-	0.52	-
			31-Oct-18	-	-	-	-	0.52	-
			30-Nov-18	-	-	-	-	0.53	-
			31-Dec-18	-	-	-	-	0.53	-
			31-Jan-19	-	-	-	-	0.54	-
			28-Feb-19	-	-	-	-	0.54	-
			31-Mar-19	-	-	-	-	0.55	-
			30-Apr-19	-	-	0.55	-	0.55	-
			31-May-19	-	-	0.56	-	0.56	-
			30-Jun-19	-	-	0.56	-	0.56	-
			31-Jul-19	-	-	0.57	-	0.57	-
			31-Aug-19	-	-	0.57	-	0.57	-
			30-Sep-19	-	-	0.58	-	0.58	-
			31-Oct-19	-	-	0.59	-	0.59	-
			30-Nov-19	-	-	0.59	-	0.59	-
			31-Dec-19	-	-	0.60	-	0.60	-
			31-Jan-20	-	-	0.60	-	0.60	-
			29-Feb-20	-	-	0.61	-	0.61	-
			31-Mar-20	-	-	0.62	-	0.62	-
			30-Apr-20	0.62	-	0.62	-	0.62	-
			31-May-20	0.63	-	0.63	-	0.63	-
			30-Jun-20	0.63	-	0.63	-	0.63	-
			31-Jul-20	0.64	-	0.64	-	0.64	-
			31-Aug-20	0.65	-	0.65	-	0.65	-
			30-Sep-20	0.65	-	0.65	-	0.65	-
			31-Oct-20	0.66	-	0.66	-	0.66	-
			30-Nov-20	0.67	-	0.67	-	0.67	-
			31-Dec-20	0.67	-	0.67	-	0.67	-
			31-Jan-21	0.68	-	0.68	-	0.68	-
			28-Feb-21	0.69	-	0.69	-	0.69	-
			31-Mar-21	0.69	-	0.69	-	0.69	-
			30-Apr-21	0.70	-	0.70	-	0.70	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
			31-May-21	0.71	-	0.71	-	0.71	-
			30-Jun-21	0.72	-	0.72	-	0.72	-
			31-Jul-21	0.72	-	0.72	-	0.72	-
			31-Aug-21	0.73	-	0.73	-	0.73	-
			30-Sep-21	0.74	-	0.74	-	0.74	-
			31-Oct-21	0.74	-	0.74	-	0.74	-
			30-Nov-21	0.75	-	0.75	-	0.75	-
			31-Dec-21	0.76	-	0.76	-	0.76	-
			31-Jan-22	0.77	-	0.77	-	0.77	-
			28-Feb-22	0.77	-	0.77	-	0.77	-
			31-Mar-22	0.78	-	0.78	-	0.78	-
				-	-	-	-	-	-
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	-	-	-	-	0.38	-
			30-May-18	-	-	-	-	0.39	-
			30-Jun-18	-	-	-	-	0.39	-
			30-Jul-18	-	-	-	-	0.40	-
			30-Aug-18	-	-	-	-	0.40	-
			30-Sep-18	-	-	-	-	0.40	-
			30-Oct-18	-	-	-	-	0.41	-
			30-Nov-18	-	-	-	-	0.41	-
			30-Dec-18	-	-	-	-	0.42	-
			30-Jan-19	-	-	-	-	0.42	-
			28-Feb-19	-	-	-	-	0.43	-
			30-Mar-19	-	-	-	-	0.43	-
			30-Apr-19	-	-	0.43	-	0.43	-
			30-May-19	-	-	0.44	-	0.44	-
			30-Jun-19	-	-	0.44	-	0.44	-
			30-Jul-19	-	-	0.45	-	0.45	-
			30-Aug-19	-	-	0.45	-	0.45	-
			30-Sep-19	-	-	0.46	-	0.46	-
			30-Oct-19	-	-	0.47	-	0.46	-
			30-Nov-19	-	-	0.47	-	0.46	-
				-	-	-	-	-	-
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	-
			15-Aug-18	-	-	-	-	1.25	-
			15-Nov-18	-	-	-	-	1.25	-
			15-Feb-19	-	-	-	-	1.25	-
			15-May-19	-	-	1.25	-	1.25	-
			15-Aug-19	-	-	1.25	-	1.25	-
			15-Nov-19	-	-	1.25	-	1.25	-
			15-Feb-20	-	-	1.25	-	1.25	-
			15-May-20	1.25	-	1.25	-	1.25	-
			15-Aug-20	1.25	-	1.25	-	1.25	-
			15-Nov-20	1.25	-	1.25	-	1.25	-
			15-Feb-21	1.25	-	1.25	-	1.25	-
			15-May-21	1.25	-	1.25	-	1.25	-
			15-Aug-21	1.25	-	1.25	-	1.25	-
			15-Nov-21	1.25	-	1.25	-	1.25	-
			15-Feb-22	1.25	-	1.25	-	1.25	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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	-	-	-	-	0.36	-
			29-May-18	-	-	-	-	0.36	-
			28-Jun-18	-	-	-	-	0.37	-
			29-Jul-18	-	-	-	-	0.37	-
			29-Aug-18	-	-	-	-	0.37	-
			28-Sep-18	-	-	-	-	0.38	-
			29-Oct-18	-	-	-	-	0.38	-
			28-Nov-18	-	-	-	-	0.38	-
			29-Dec-18	-	-	-	-	0.39	-
			29-Jan-19	-	-	-	-	0.39	-
			26-Feb-19	-	-	-	-	0.40	-
			29-Mar-19	-	-	-	-	0.40	-
			28-Apr-19	-	-	0.40	-	0.40	-
			29-May-19	-	-	0.41	-	0.41	-
			28-Jun-19	-	-	0.41	-	0.41	-
			29-Jul-19	-	-	0.41	-	0.41	-
			29-Aug-19	-	-	0.42	-	0.42	-
			28-Sep-19	-	-	0.42	-	0.42	-
			29-Oct-19	-	-	0.42	-	0.42	-
			28-Nov-19	-	-	0.43	-	0.43	-
			29-Dec-19	-	-	0.43	-	0.43	-
			29-Jan-20	-	-	0.44	-	0.44	-
			27-Feb-20	-	-	0.44	-	0.44	-
			29-Mar-20	-	-	0.44	-	0.44	-
			28-Apr-20	0.45	-	0.45	-	0.45	-
			29-May-20	0.45	-	0.45	-	0.45	-
			28-Jun-20	0.46	-	0.46	-	0.46	-
			29-Jul-20	0.46	-	0.46	-	0.46	-
			29-Aug-20	0.46	-	0.46	-	0.46	-
			28-Sep-20	0.47	-	0.47	-	0.47	-
			29-Oct-20	0.47	-	0.47	-	0.47	-
			28-Nov-20	0.48	-	0.48	-	0.48	-
			29-Dec-20	0.48	-	0.48	-	0.48	-
			29-Jan-21	0.48	-	0.48	-	0.48	-
				-	-	-	-	-	-
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 pricipal at any point of time during currency of the facility.	12.50%	19-Apr-19	-	-	0.41	-	-	-
			21-May-19	-	-	0.41	-	-	-
			21-Jun-19	-	-	0.42	-	-	-
			19-Jul-19	-	-	0.42	-	-	-
			21-Aug-19	-	-	0.43	-	-	-
			20-Sep-19	-	-	0.43	-	-	-
			21-Oct-19	-	-	0.44	-	-	-
			21-Nov-19	-	-	0.44	-	-	-
			20-Dec-19	-	-	0.44	-	-	-
			21-Jan-20	-	-	0.45	-	-	-
			21-Feb-20	-	-	0.45	-	-	-
			20-Mar-20	-	-	0.46	-	-	-
			21-Apr-20	0.46	-	0.46	-	-	-
			21-May-20	0.47	-	0.47	-	-	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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	-	-	0.91	-	-	-
			1-Jun-19	-	-	0.91	-	-	-
			1-Jul-19	-	-	0.91	-	-	-
			1-Aug-19	-	-	0.91	-	-	-
			1-Sep-19	-	-	0.91	-	-	-
			1-Oct-19	-	-	0.91	-	-	-
			1-Nov-19	-	-	0.91	-	-	-
			1-Dec-19	-	-	0.91	-	-	-
			1-Jan-20	-	-	0.91	-	-	-
			1-Feb-20	-	-	0.91	-	-	-
			1-Mar-20	-	-	0.91	-	-	-
			1-Apr-20	0.14	-	0.91	-	-	-
			1-May-20	0.91	-	0.91	-	-	-
			1-Jun-20	0.91	-	0.91	-	-	-
			1-Jul-20	0.91	-	0.91	-	-	-
			1-Aug-20	0.91	-	0.91	-	-	-
			1-Sep-20	0.91	-	0.91	-	-	-
			1-Oct-20	0.91	-	0.91	-	-	-
			1-Nov-20	0.91	-	0.91	-	-	-
			1-Dec-20	0.91	-	0.91	-	-	-
			1-Jan-21	0.91	-	0.91	-	-	-
			1-Feb-21	0.91	-	0.91	-	-	-
			1-Mar-21	0.91	-	0.91	-	-	-
			1-Apr-21	0.91	-	0.91	-	-	-
			1-May-21	0.91	-	0.91	-	-	-
				-	-	-	-	-	-
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	-	-	-
			1-Jul-19	-	-	1.25	-	-	-
			1-Oct-19	-	-	1.25	-	-	-
			1-Jan-20	-	-	1.25	-	-	-
			1-Apr-20	1.25	-	1.25	-	-	-
			1-Jul-20	1.25	-	1.25	-	-	-
			1-Oct-20	1.25	-	1.25	-	-	-
			1-Jan-21	1.25	-	1.25	-	-	-
			1-Apr-21	1.25	-	1.25	-	-	-
			1-Jul-21	1.25	-	1.25	-	-	-
			1-Oct-21	1.25	-	1.25	-	-	-
				-	-	-	-	-	-
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	-	-	0.63	-	-	-
			5-May-19	-	-	0.63	-	-	-
			5-Jun-19	-	-	0.63	-	-	-
			5-Jul-19	-	-	0.63	-	-	-
			5-Aug-19	-	-	0.63	-	-	-
			5-Sep-19	-	-	0.63	-	-	-
			5-Oct-19	-	-	0.63	-	-	-
			5-Nov-19	-	-	0.63	-	-	-
			5-Dec-19	-	-	0.63	-	-	-
			5-Jan-20	-	-	0.63	-	-	-
			5-Feb-20	-	-	0.63	-	-	-
			5-Mar-20	-	-	0.63	-	-	-
			5-Apr-20	0.63	-	0.63	-	-	-
			5-May-20	0.63	-	0.63	-	-	-
			5-Jun-20	0.63	-	0.63	-	-	-
			5-Jul-20	0.63	-	0.63	-	-	-
			5-Aug-20	0.63	-	0.63	-	-	-
			5-Sep-20	0.63	-	0.63	-	-	-
			5-Oct-20	0.63	-	0.63	-	-	-
			5-Nov-20	0.63	-	0.63	-	-	-
			5-Dec-20	0.63	-	0.63	-	-	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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	-	-	-
			3-May-19	-	-	1.25	-	-	-
			3-Jun-19	-	-	1.25	-	-	-
			3-Jul-19	-	-	1.25	-	-	-
			3-Aug-19	-	-	1.25	-	-	-
			3-Sep-19	-	-	1.25	-	-	-
			3-Oct-19	-	-	1.25	-	-	-
			3-Nov-19	-	-	1.25	-	-	-
			3-Dec-19	-	-	1.25	-	-	-
			3-Jan-20	-	-	1.25	-	-	-
			3-Feb-20	-	-	1.25	-	-	-
			3-Mar-20	-	-	1.25	-	-	-
			3-Apr-20	1.25	-	1.25	-	-	-
			3-May-20	1.25	-	1.25	-	-	-
			3-Jun-20	1.25	-	1.25	-	-	-
			3-Jul-20	1.25	-	1.25	-	-	-
			3-Aug-20	1.25	-	1.25	-	-	-
			3-Sep-20	1.25	-	1.25	-	-	-
			3-Oct-20	1.25	-	1.25	-	-	-
			3-Nov-20	1.25	-	1.25	-	-	-
			3-Dec-20	1.25	-	1.25	-	-	-
			3-Jan-21	1.25	-	1.25	-	-	-
			3-Feb-21	1.25	-	1.25	-	-	-
				-	-	-	-	-	-
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	-	-	0.64	-	-	-
			3-Jul-19	-	-	0.65	-	-	-
			3-Aug-19	-	-	0.65	-	-	-
			3-Sep-19	-	-	0.66	-	-	-
			3-Oct-19	-	-	0.67	-	-	-
			3-Nov-19	-	-	0.68	-	-	-
			3-Dec-19	-	-	0.68	-	-	-
			3-Jan-20	-	-	0.69	-	-	-
			3-Feb-20	-	-	0.70	-	-	-
			3-Mar-20	-	-	0.71	-	-	-
			3-Apr-20	0.71	-	0.71	-	-	-
			3-May-20	0.72	-	0.72	-	-	-
			3-Jun-20	0.73	-	0.73	-	-	-
			3-Jul-20	0.74	-	0.74	-	-	-
			3-Aug-20	0.74	-	0.74	-	-	-
			3-Sep-20	0.75	-	0.75	-	-	-
			3-Oct-20	0.76	-	0.76	-	-	-
			3-Nov-20	0.77	-	0.77	-	-	-
			3-Dec-20	0.78	-	0.78	-	-	-
			3-Jan-21	0.79	-	0.79	-	-	-
			3-Feb-21	0.79	-	0.79	-	-	-
				-	-	-	-	-	-
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%	15-Apr-19	-	-	1.25	-	-	-
			15-Jul-19	-	-	1.25	-	-	-
			15-Oct-19	-	-	1.25	-	-	-
			15-Jan-20	-	-	1.25	-	-	-
			15-Apr-20	1.25	-	1.25	-	-	-
			15-Jul-20	1.25	-	1.25	-	-	-
			15-Oct-20	1.25	-	1.25	-	-	-
			15-Jan-21	1.25	-	1.25	-	-	-
			15-Apr-21	1.25	-	1.25	-	-	-
			15-Jul-21	1.25	-	1.25	-	-	-
			15-Oct-21	1.25	-	1.25	-	-	-
			30-Jan-22	1.25	-	1.25	-	-	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
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	-	-	0.45	-	-	-
			14-Jul-19	-	-	0.45	-	-	-
			14-Aug-19	-	-	0.45	-	-	-
			14-Sep-19	-	-	0.45	-	-	-
			14-Oct-19	-	-	0.45	-	-	-
			14-Nov-19	-	-	0.45	-	-	-
			14-Dec-19	-	-	0.45	-	-	-
			14-Jan-20	-	-	0.45	-	-	-
			14-Feb-20	-	-	0.45	-	-	-
			14-Mar-20	-	-	0.45	-	-	-
			14-Apr-20	0.45	-	0.45	-	-	-
			14-May-20	0.45	-	0.45	-	-	-
			14-Jun-20	0.45	-	0.45	-	-	-
			14-Jul-20	0.45	-	0.45	-	-	-
			14-Aug-20	0.45	-	0.45	-	-	-
			14-Sep-20	0.45	-	0.45	-	-	-
			14-Oct-20	0.45	-	0.45	-	-	-
			14-Nov-20	0.45	-	0.45	-	-	-
			14-Dec-20	0.45	-	0.45	-	-	-
			14-Jan-21	0.45	-	0.45	-	-	-
			14-Feb-21	0.45	-	0.45	-	-	-
			14-Mar-21	0.45	-	0.45	-	-	-
			14-Apr-21	0.45	-	0.45	-	-	-
			14-May-21	0.45	-	0.45	-	-	-
			14-Jun-21	0.45	-	0.45	-	-	-
			14-Jul-21	0.45	-	0.45	-	-	-
			14-Aug-21	0.45	-	0.45	-	-	-
			14-Sep-21	0.45	-	0.45	-	-	-
			14-Oct-21	0.45	-	0.45	-	-	-
			14-Nov-21	0.45	-	0.45	-	-	-
			14-Dec-21	0.45	-	0.45	-	-	-
			14-Jan-22	0.45	-	0.45	-	-	-
			14-Feb-22	0.45	-	0.45	-	-	-
				-	-	-	-	-	-
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	-	-	-
			01-Aug-20	5.00	-	-	-	-	-
				-	-	-	-	-	-
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	-	-	1.64	-	-	-
			28-May-19	-	-	1.66	-	-	-
			28-Jun-19	-	-	1.67	-	-	-
			28-Jul-19	-	-	1.69	-	-	-
			28-Aug-19	-	-	1.70	-	-	-
				-	-	-	-	-	-
TATA CAPITAL FINANCE LOAN-1	First and exclusive charges over the portfolio of the Company upto the extent of 1.1x of the outstanding amount at any point of time.	11.20%	15-Jun-19	-	-	-	-	-	-
			15-Jul-19	-	-	-	-	-	-
			15-Aug-19	-	-	-	-	-	-
			15-Sep-19	-	-	-	-	-	-
			15-Oct-19	-	-	-	-	-	-
			15-Nov-19	-	-	-	-	-	-
			15-Dec-19	-	-	-	-	-	-
			15-Jan-20	-	-	-	-	-	-
			15-Feb-20	-	-	-	-	-	-
			15-Mar-20	-	-	-	-	-	-
			15-Apr-20	0.48	-	-	-	-	-
			15-May-20	0.48	-	-	-	-	-
			15-Jun-20	0.48	-	-	-	-	-
			15-Jul-20	0.49	-	-	-	-	-
			15-Aug-20	0.49	-	-	-	-	-
			15-Sep-20	0.50	-	-	-	-	-
			15-Oct-20	0.51	-	-	-	-	-
			15-Nov-20	0.51	-	-	-	-	-
			15-Dec-20	0.52	-	-	-	-	-
			15-Jan-21	0.52	-	-	-	-	-
			15-Feb-21	0.52	-	-	-	-	-
			15-Mar-21	0.53	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
			15-Apr-21	0.53	-	-	-	-	-
			15-May-21	0.54	-	-	-	-	-
			15-Jun-21	0.54	-	-	-	-	-
			15-Jul-21	0.55	-	-	-	-	-
			15-Aug-21	0.55	-	-	-	-	-
			15-Sep-21	0.56	-	-	-	-	-
			15-Oct-21	0.56	-	-	-	-	-
			15-Nov-21	0.63	-	-	-	-	-
				-	-	-	-	-	-
AU Small Finance Bank Loan-3	First and exclusive charges over the portfolio of the Company upto the extent of 1.1x of the outstanding amount at any point of time.	13.00%	3-Aug-19	-	-	-	-	-	-
			3-Sep-19	-	-	-	-	-	-
			3-Oct-19	-	-	-	-	-	-
			3-Nov-19	-	-	-	-	-	-
			3-Dec-19	-	-	-	-	-	-
			3-Jan-20	-	-	-	-	-	-
			3-Feb-20	-	-	-	-	-	-
			3-Mar-20	-	-	-	-	-	-
			3-Apr-20	0.63	-	-	-	-	-
			3-May-20	0.63	-	-	-	-	-
			3-Jun-20	0.63	-	-	-	-	-
			3-Jul-20	0.63	-	-	-	-	-
			3-Aug-20	0.63	-	-	-	-	-
			3-Sep-20	0.63	-	-	-	-	-
			3-Oct-20	0.63	-	-	-	-	-
			3-Nov-20	0.63	-	-	-	-	-
			3-Dec-20	0.63	-	-	-	-	-
			3-Jan-21	0.63	-	-	-	-	-
			3-Feb-21	0.63	-	-	-	-	-
			3-Mar-21	0.63	-	-	-	-	-
			3-Apr-21	0.63	-	-	-	-	-
			3-May-21	0.63	-	-	-	-	-
			3-Jun-21	0.63	-	-	-	-	-
			3-Jul-21	0.63	-	-	-	-	-
			3-Aug-21	0.63	-	-	-	-	-
				-	-	-	-	-	-
HDFC TERM LOAN	First and exclusive charges over the portfolio of the Company upto the extent of 1.33x of the outstanding amount at any point of time.	11.00%	31-Oct-19	-	-	-	-	-	-
			30-Nov-19	-	-	-	-	-	-
			31-Dec-19	-	-	-	-	-	-
			31-Jan-20	-	-	-	-	-	-
			29-Feb-20	-	-	-	-	-	-
			1-Apr-20	-	-	-	-	-	-
			30-Apr-20	1.04	-	-	-	-	-
			31-May-20	1.04	-	-	-	-	-
			30-Jun-20	1.04	-	-	-	-	-
			31-Jul-20	1.04	-	-	-	-	-
			31-Aug-20	1.04	-	-	-	-	-
			30-Sep-20	1.04	-	-	-	-	-
			31-Oct-20	1.04	-	-	-	-	-
			30-Nov-20	1.04	-	-	-	-	-
			31-Dec-20	1.04	-	-	-	-	-
			31-Jan-21	1.04	-	-	-	-	-
			28-Feb-21	1.04	-	-	-	-	-
			31-Mar-21	1.04	-	-	-	-	-
			30-Apr-21	1.04	-	-	-	-	-
			31-May-21	1.04	-	-	-	-	-
			30-Jun-21	1.04	-	-	-	-	-
			31-Jul-21	1.04	-	-	-	-	-
			31-Aug-21	1.04	-	-	-	-	-
			30-Sep-21	1.04	-	-	-	-	-
				-	-	-	-	-	-
ResponsAbility ECB	First and exclusive charges over the portfolio of the Company upto the extent of 1.1x of the outstanding amount at any point of time.	11.35%	5-Feb-20	-	-	-	-	-	-
			5-Aug-20	-	-	-	-	-	-
			5-Feb-21	-	-	-	-	-	-
			5-Aug-21	-	-	-	-	-	-
			5-Feb-22	-	-	-	-	-	-
			5-Aug-22	34.50	-	-	-	-	-
				-	-	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
KISETSU SAISON FINANCE (INDIA) PVT LTD	First and exclusive charges over the portfolio of the Company upto the extent of 1.0x of the outstanding amount at any point of time.	12.50%	31-Mar-20	-	-	-	-	-	-
			30-Jun-20	1.67	-	-	-	-	-
			30-Sep-20	1.67	-	-	-	-	-
			31-Dec-20	1.67	-	-	-	-	-
			31-Mar-21	1.67	-	-	-	-	-
			30-Jun-21	1.67	-	-	-	-	-
			30-Sep-21	1.67	-	-	-	-	-
			31-Dec-21	1.67	-	-	-	-	-
			31-Mar-22	1.67	-	-	-	-	-
			30-Jun-22	1.67	-	-	-	-	-
			30-Sep-22	1.67	-	-	-	-	-
			17-Dec-22	1.67	-	-	-	-	-
				-	-	-	-	-	-
FEDERAL BANK LOAN 1	First and exclusive charges over the portfolio of the Company upto the extent of 1.10x of the outstanding amount at any point of time.	10.95%	31-Jan-20	-	-	-	-	-	-
			29-Feb-20	-	-	-	-	-	-
			31-Mar-20	-	-	-	-	-	-
			30-Apr-20	0.30	-	-	-	-	-
			31-May-20	0.30	-	-	-	-	-
			30-Jun-20	0.30	-	-	-	-	-
			31-Jul-20	0.30	-	-	-	-	-
			31-Aug-20	0.30	-	-	-	-	-
			30-Sep-20	0.30	-	-	-	-	-
			31-Oct-20	0.30	-	-	-	-	-
			30-Nov-20	0.30	-	-	-	-	-
			31-Dec-20	0.30	-	-	-	-	-
			31-Jan-21	0.30	-	-	-	-	-
			28-Feb-21	0.30	-	-	-	-	-
			31-Mar-21	0.30	-	-	-	-	-
			30-Apr-21	0.30	-	-	-	-	-
			31-May-21	0.30	-	-	-	-	-
			30-Jun-21	0.30	-	-	-	-	-
			31-Jul-21	0.30	-	-	-	-	-
			31-Aug-21	0.30	-	-	-	-	-
			30-Sep-21	0.30	-	-	-	-	-
			31-Oct-21	0.30	-	-	-	-	-
			30-Nov-21	0.30	-	-	-	-	-
			31-Dec-21	0.30	-	-	-	-	-
			31-Jan-22	0.30	-	-	-	-	-
			28-Feb-22	0.30	-	-	-	-	-
			31-Mar-22	0.30	-	-	-	-	-
			30-Apr-22	0.30	-	-	-	-	-
			31-May-22	0.30	-	-	-	-	-
			30-Jun-22	0.30	-	-	-	-	-
			31-Jul-22	0.30	-	-	-	-	-
			31-Aug-22	0.30	-	-	-	-	-
			30-Sep-22	0.30	-	-	-	-	-
			31-Oct-22	0.30	-	-	-	-	-
			30-Nov-22	0.30	-	-	-	-	-
			31-Dec-22	0.40	-	-	-	-	-
				-	-	-	-	-	-
NORTHERN ARC CAPITAL LIMITED-LOAN 10	NA	14.30%	31-Mar-20	-	-	-	-	-	-
			6-Apr-20	-	1.13	-	-	-	-
			5-May-20	-	0.91	-	-	-	-
			5-Jun-20	-	0.91	-	-	-	-
			6-Jul-20	-	0.92	-	-	-	-
			5-Aug-20	-	0.94	-	-	-	-
			7-Sep-20	-	0.92	-	-	-	-
			5-Oct-20	-	0.97	-	-	-	-
			5-Nov-20	-	0.96	-	-	-	-
			7-Dec-20	-	0.97	-	-	-	-
			5-Jan-21	-	1.00	-	-	-	-
			5-Feb-21	-	1.00	-	-	-	-
			5-Mar-21	-	1.03	-	-	-	-
			5-Apr-21	-	1.02	-	-	-	-
			5-May-21	-	1.04	-	-	-	-
			7-Jun-21	-	1.04	-	-	-	-
			5-Jul-21	-	1.07	-	-	-	-
			5-Aug-21	-	1.07	-	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements

16. Borrowings (Other than Debt Securities) (con't)

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

Particulars	Nature of Security	Rate of Interest	Date of Repayment	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
				₹	₹	₹	₹	₹	₹
			6-Sep-21	-	1.08	-	-	-	-
			5-Oct-21	-	1.10	-	-	-	-
			5-Nov-21	-	1.11	-	-	-	-
			6-Dec-21	-	1.13	-	-	-	-
			5-Jan-22	-	1.14	-	-	-	-
			7-Feb-22	-	1.15	-	-	-	-
			7-Mar-22	-	1.39	-	-	-	-
				-	-	-	-	-	-
AU Small Finance Bank Loan-4	First and exclusive charges over the portfolio of the Company upto the extent of 1.10x of the outstanding amount at any point of time.	12.50%	18-Mar-20	-	-	-	-	-	-
			18-Apr-20	0.73	-	-	-	-	-
			18-May-20	0.73	-	-	-	-	-
			18-Jun-20	0.73	-	-	-	-	-
			18-Jul-20	0.73	-	-	-	-	-
			18-Aug-20	0.73	-	-	-	-	-
			18-Sep-20	0.73	-	-	-	-	-
			18-Oct-20	0.73	-	-	-	-	-
			18-Nov-20	0.73	-	-	-	-	-
			18-Dec-20	0.73	-	-	-	-	-
			18-Jan-21	0.73	-	-	-	-	-
			18-Feb-21	0.73	-	-	-	-	-
			18-Mar-21	0.73	-	-	-	-	-
			18-Apr-21	0.73	-	-	-	-	-
			18-May-21	0.73	-	-	-	-	-
			18-Jun-21	0.73	-	-	-	-	-
			18-Jul-21	0.73	-	-	-	-	-
			18-Aug-21	0.73	-	-	-	-	-
			18-Sep-21	0.73	-	-	-	-	-
			18-Oct-21	0.73	-	-	-	-	-
			18-Nov-21	0.73	-	-	-	-	-
			18-Dec-21	0.73	-	-	-	-	-
			18-Jan-22	0.73	-	-	-	-	-
			18-Feb-22	0.73	-	-	-	-	-
			18-Mar-22	0.73	-	-	-	-	-

All amounts are in ₹ crores unless otherwise stated

18 Current tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current income tax payable [net of advance tax (March 31, 2019: ₹ 8.57)]	-	4.65	-
Total	-	**4.65**	-

19 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
Provision for gratuity	4.49	1.99	0.80
Provision for compensated absences	3.12	2.00	1.25
Other provisions			
Provision For Dividend on CCPS	0.01	0.00	0.00
Total	**7.62**	**3.99**	**2.04**

20 Other non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues payable	3.83	2.61	0.81
Payables on purchase of property, plant and equipment	0.82	0.46	0.13
Pre EMI interest received in advance	0.44	0.65	0.40
EMI and interest received in advance from customers	1.63	0.90	0.75
Total	**6.72**	**4.62**	**2.09**

21 Share capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised capital			
5,000,000 (March 31, 2019: 5,000,000 Shares) Equity shares of ₹ 10 each with voting rights	5.00	5.00	5.00
23,000,000 (March 31, 2019: 23,000,000 Shares) 0.01% Compulsorily Convertible Cumulative Preference shares (CCPS) of ₹ 10 each	23.00	23.00	12.00
Total	**28.00**	**28.00**	**17.00**
Issued, Subscribed and fully paid up			
4,830,500 (March 31, 2019: 4,830,300 Shares) Equity shares of ₹ 10 each with voting rights	4.83	4.83	4.83
Less: amount recoverable from ESOP Trust (face value of 560,294 shares of ₹ 10 each held by trust) (March 31, 2019: 5,602,940) [Refer Note 38]	(0.56)	(0.56)	(0.56)
22,772,648 (March 31, 2019: 11,560,850 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 10 each	22.77	22.77	11.56
Total	**27.04**	**27.04**	**15.83**

All amounts are in ₹ crores unless otherwise stated

21 Share capital (cont'd)

Notes:

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

Particulars	Opening Balance	Fresh issue	Closing Balance
As at April 1, 2018			
Equity shares with voting rights			
No.of shares	4,830,300	-	4,830,300
Amount	4.83	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)			
No.of shares	11,560,850	-	11,560,850
Amount	11.56	-	11.56
As at March 31, 2019			
Equity shares with voting rights			
No.of shares	4,830,300	200	4,830,500
Amount	4.83	0.00	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)			
No.of shares	11,560,850	11,211,798	22,772,648
Amount	12	11.21	22.77
As at March 31, 2020			
Equity shares with voting rights			
No.of shares	4,830,500	-	4,830,500
Amount	4.83	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)			
No.of shares	22,772,648	-	22,772,648
Amount	22.77	-	22.77

(ii) Rights, Preferences 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.

All amounts are in ₹ crores unless otherwise stated

21 Share capital (cont'd)

(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 date 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.

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

Particulars	**As at March 31, 2020**		**As at March 31, 2019**		**As at April 1, 2018**	
	%	**Number of shares held**	**%**	**Number of shares held**	**%**	**Number of shares held**
Equity shares with voting rights						
Sanjay Sharma		954,750	19.77%	1,004,000	20.79%	1,004,000
Shankh Corporation LLP		849,625	17.59%	900,000	18.63%	900,000
Shvet Corporation LLP		849,625	17.59%	900,000	18.63%	900,000
Vikram Jetley		631,000	13.06%	701,000	14.51%	701,000
Meera Madhusudan Deshmukh and Kalpana Kiran		25,000	0.52%	61,930	1.28%	259,712
Aye Finance Employee Welfare Trust		560,294	11.60%	560,294	11.60%	560,294
Namrata Sharma		261,965	5.42%	261,965	5.42%	-
0.01% Compulsorily Convertible Cumulative Preference shares						
Accion Africa - Asia Investment Company		-	-	2,713,451	11.92%	4,188,192
SAIF Partners India V Limited		6,159,852	27.05%	6,159,852	27.05%	4,562,847
LGT Capital Invest Mauritius PCC with Cell E/VP		4,477,586	19.66%	4,477,586	19.66%	2,809,811
CapitalG LP		3,937,237	17.29%	3,937,237	17.29%	-
MAJ Invest Financial Inclusion Fund II K/S		1,839,649	8.08%	1,839,649	8.08%	-
Falcon Edge India I LP		3,644,873	16.01%	3,644,873	16.01%	-
A91 Emerging Fund I LLP		2,713,451	11.92%	-	-	-

22 Other equity

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium Account				
Opening balance		452.82	83.64	83.64
Add: Premium on shares issued during the period		-	369.41	-
Less: Share issue expenses		-	(0.23)	-
Closing balance	**Total**	**452.82**	**452.82**	**83.64**
Share option outstanding account				
Opening balance		0.92	0.52	0.11
Add: Deferred stock compensation expense		3.60	0.40	0.41
Less: Utilisation of deferred stock compensation expense		(0.30)	-	-
Closing balance	**Total**	**4.22**	**0.92**	**0.52**
Statutory reserve under section 45IC of RBI Act				
Opening balance		5.27	0.46	0.00
Add : Additions during the year		6.48	4.80	0.46
Closing balance	**Total**	**11.75**	**5.27**	**0.46**
Surplus/ (Deficit) in Statement of Profit and Loss				
Opening balance		(4.69)	(23.91)	(12.91)
Add: Profit for the year		32.41	24.02	(10.53)
Less: Transfer to special reserves under section 45IC of RBI Act		(6.48)	(4.80)	(0.46)
Less: Dividend on Compulsorily Convertible Cumulative Preference Shares		(0.00)	(0.00)	(0.00)
Closing balance	**Total**	**21.23**	**(4.69)**	**(23.91)**
Other comprehensive income				
Opening balance		(0.13)	-	-
Add : Comprehensive income for the year		(0.23)	(0.13)	-
Closing balance	**Total**	**(0.36)**	**(0.13)**	-
	Grand Total	**489.67**	**454.19**	**60.72**

All amounts are in ₹ crores unless otherwise stated

Nature and purpose of reserves

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

Securities Premium reserves
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Employee stock outstanding account
The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company in pursuance of the Employee Stock Option Plan.

Surplus/ (Deficit) in Statement of Profit and Loss
Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserves.

Other comprehensive income
Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss.

23 Interest Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
On Financial Assets measured at amortised cost		
Interest on loans to customers	387.71	196.40
Interest on Deposits with banks	4.51	3.43
Total	**392.22**	**199.83**

24 Fees and commission income

Servicing Fee	0.42	0.06
Delay payment charges , registration charges, cheque dishonour charges etc.	8.84	5.42
Total	**9.25**	**5.47**

25 Net gain on financial instruments measured at fair value through profit or loss account

On trading portfolio		
Investments		
- Gain on sale of mutual funds	6.97	4.49
Others		
- Derivatives (cross currency swap)	3.28	-
Total	**10.25**	**4.49**
Fair Value changes:		
-Realised	6.97	4.49
-Unrealised	3.28	-
Total	**10.25**	**4.49**

26 Other income

Miscellaneous Income	1.20	0.59
Profit on sale of property, plant and equipment	-	0.00
Total	**1.20**	**0.59**

Aye Finance Private Limited
Notes forming part of the financial statements
All amounts are in ₹ crores unless otherwise stated

27 Finance Costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
On Financial liabilities measured at Amortised Cost		
Interest on debt securities	80.98	43.96
Interest on borrowings (other than debt securities)		
- term loans from banks and financial institutions	27.51	22.43
- securitised portfolio	22.02	3.11
Interest on delayed payment of statutory dues	0.41	0.60
Interest on lease liabilities	1.57	0.81
Other borrowing cost	5.18	2.32
Loss on foreign currency fluctuation	3.19	-
Total	**140.87**	**73.22**

28 Impairment on financial assets

Impairment on financial instruments at amortised cost	46.15	8.46
Amounts written off (net of recoveries)	18.94	7.86
Total	**65.08**	**16.33**

29 Employee benefit expense

Salaries and wages	99.16	53.03
Contribution to provident and other funds	6.54	1.58
Expense on employee stock option (ESOP) scheme [Refer note 38]	5.54	0.40
Staff welfare expenses	9.19	4.00
Gratuity expenses	2.19	1.01
Total	**122.62**	**60.02**

30 Depreciation and amortisation expense

Depreciation of property, plant and equipment	2.57	1.60
Amortisation of intangible assets	0.71	0.72
Depreciation on ROU assets	4.60	2.66
Total	**7.88**	**4.98**

31 Other expenses

Rates & taxes	1.00	0.80
Communication Costs	1.97	1.20
Printing and stationery	1.41	0.97
Legal and Professional charges	6.30	6.28
Payment to auditors [Refer Note (i) below]	0.71	0.55
Corporate Social Responsibility [Refer note 32]	0.18	-
Membership and subscription fees	3.93	1.67
Travel and conveyance	10.61	5.30
Postage and Courier	3.85	2.35
Office Expenses	4.45	2.17
Bank charges	0.45	0.72
Loss on sale of property, plant and equipments	0.01	0.00
Miscellaneous Expenses	1.63	0.16
Total	**36.52**	**22.17**

Notes:
(i) Payment to auditors (comprises net of goods and service tax, where applicable):

Statutory audit	0.63	0.50
Tax audit	0.03	0.02
Other services	0.05	0.03
Total	**0.71**	**0.55**

32 Disclosure pertaining to corporate social responsibility expenses

The Company spent ₹ 0.18 crores (March 31, 2019 - Nil*), towards Corporate Social Responsibility (CSR) activities as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	0.18	-
Construction/acquisition of any asset		
- In cash	-	-
- Unpaid	-	-
Total	-	-
On purpose other than above		
- In cash	0.18	-
- Unpaid	-	-
Total	0.18	-

* The CSR provisions were not applicable on the Company in the previous year.

33 Earnings per share

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) attributable to equity holders	32.41	24.02
Less: Preference Dividend	(0.00)	(0.00)
Net Profit/(Loss) attributable to equity holders	32.41	24.02
Weighted average number of equity shares outstanding during the year - for Basic EPS	27,603,148	21,276,307
Effect of dilutive potential equity share equivalent	369,085	218,639
Weighted average number of equity shares outstanding during the year - for Dilutive EPS	27,972,233	21,494,946
Basic earnings per share (₹)	11.74	11.29
Diluted earnings per share (₹)	11.59	11.18
Face value per share (₹)	10.00	10.00

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

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i)	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	0.31
	Commitments related to loans sanctioned but not disbursed	0.09	2.33	0.61

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

35 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. granting loans, which has similar risks and returns for the purpose of Ind AS 108 “Operating segments”, and is considered to be the only reportable business segment. Further, The Company is operating in India which is considered as a single geographical segment.

36 Employee benefits

(a) **Defined contribution plans**

The Company makes Provident Fund to defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 5.92 crores (March 31, 2019: ₹ 1.40 crores) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) **Other long-term benefits**

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

(c) **Defined benefit plans**

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

The present value of defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the balance sheet:

(i) Amount recognised in Statement of Profit and Loss and other comprehensive income:

Particulars	**Year ended March 31, 2020**		**Year ended March 31, 2019**
Current service cost	2.04	-	0.95
Past service cost	-	-	-
Interest expense	0.15	-	0.06
Amount recognised in Statement of profit and loss	**2.19**		**1.01**
Remeasurement of defined benefit liability:			
Actuarial (gain)/loss from changes in demographic assumptions	(0.11)		0.16
Actuarial (gain)/loss from changes in financial assumptions	0.52		0.02
Actuarial (gain)/loss from experience adjustments	(0.11)		(0.00)
Amount recognised in other comprehensive income	**0.31**		**0.18**
Total	**2.50**		**1.20**

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

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 1, 2018**
Fair value of plan assets	-	-	-
Defined benefit obligation	(4.49)	(1.99)	(0.80)
Net defined asset /(liability) recognised in the Balance Sheet **Total**	(4.49)	(1.99)	(0.80)

All amounts are in ₹ crores unless otherwise stated

36 Employee benefits (cont'd)

(c) **Defined benefit plans (cont'd)**

(iii) Actual contributions and benefit payments during the year

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Actual benefit payments	-	-

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

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Defined benefit obligation at beginning of the year	1.99	0.80	0.37
Current service cost	2.04	0.95	0.42
Past service cost	-	-	-
Interest expense	0.15	0.06	0.03
Remeasurement (gains)/losses			
Actuarial (gain)/Loss from changes in financial assumptions	0.52	0.02	-
Actuarial (gain)/Loss from experience adjustments	(0.11)	(0.00)	(0.03)
Actuarial (gain)/Loss from changes in demographic assumptions	(0.11)	0.16	-
Benefits paid	-	-	-
Defined benefit obligation at end of the year	**4.49**	**1.99**	**0.80**

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

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

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

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Discount rate (in %)	6.76%	7.66%	7.80%
Future salary increase (in %)	10.00%	10.00%	10.00%
Retirement age	60.00	60.00	60.00
Demographic Assumptions			
Attrition			
Upto 30 years	24.03%	14.70%	14.00%
31-44 years	7.01%	7.90%	10.00%
Above 44 years	0.27%	0.10%	8.00%
Mortality	IALM (2012-14)	IALM (2006-08)	IALM (2006-08)

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.

Sensitivity Analysis

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation at the end of the period	**4.49**	**1.99**
Effect of +50 basis points in rate of discounting	(0.36)	(0.14)
Effect of -50 basis points in rate of discounting	0.40	0.16
Present Value of Obligation at the end of the period	**4.49**	**1.99**
Effect of +50 basis points in rate of salary increase	0.36	0.14
Effect of -50 basis points in rate of salary increase	(0.33)	(0.13)

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

All amounts are in ₹ crores unless otherwise stated

36 Employee benefits (cont'd)

(c) **Defined benefit plans (cont'd)**

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

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

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/ (loss) adjustments on plan liabilities	Estimated gain/ (loss) adjustments on plan assets
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-
2015-16	0.13	-	0.04	-

Risk exposure:

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

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

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

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

37 Related party disclosures

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

(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 till April 19, 2020 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 till May 31, 2020
Entities exercising significant influence over the Company	SAIF Partners India V Limited Accion Africa- Asia Investment Company Till January 2020 A91 Emerging Fund I LLP LGT Capital Invest Mauritius PCC with Cell E/VP Accion Technical Advisors till January 31, 2020 Accion International till January 31, 2020 CapitalG LP Falcon Edge India I LP
Subsidiary Company	Foundation for Advancement of Micro Enterprises (Section 8 Company)
Relatives of KMP	Namrata Sharma Harleen Kaur Jetley till April 19, 2020

Note: Related parties have been identified by the management.

All amounts are in ₹ crores unless otherwise stated

37 Related party disclosures (cont'd)

(b) **Details of related party transactions during the year ended March 31, 2020 and outstanding balance as at March 31, 2020:**

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
A. Managerial remuneration		
Key Managerial Personnel	3.74	2.67
(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. Shares Issued During The Year		
Entities exercising significant influence over the Company		
SAIF Partners India V Limited	-	1.60
LGT Capital Invest Mauritius PCC	-	1.67
CapitalG LP	-	3.94
Falcon Edge India I LP	-	3.64
C. Security Premium Received		
Entities exercising significant influence over the Company		
SAIF Partners India V Limited	-	39.32
LGT Capital Invest Mauritius PCC	-	52.73
CapitalG LP	-	110.27
Falcon Edge India I LP	-	151.89
D. Dividend on 0.01% on CCPS		
Entities exercising significant influence over the Company		
SAIF Partners India V Limited	0.0006	0.0006
Accion Africa- Asia Investment Company	-	0.0004
A91 Emerging Fund I LLP	0.0002	-
LGT Capital Invest Mauritius PCC	0.0004	0.0004
CapitalG LP	0.0004	0.0003
Falcon Edge India I LP	0.0004	0.0000
E. Tour and Travelling Expenses		
Entities exercising significant influence over the Company		
Accion Technical Advisors India	-	0.04
F. Salaries and Wages		
Transactions with the relatives of KMP		
Shashwat Sharma	-	-
G. Staff Welfare - Training Expenses		
Accion International	-	0.05
H. Legal and Professional Charges		
Strategic Resources	-	0.06
I. Reimbursement received		
Reimbursement received for capital expenditure		
Accion Technical Advisors India	-	0.09
J. Sale of property, plant and equipment		
Sanjay Sharma	0.002	-
K. Investment in subsidiary company		
Foundation for Advancement of Micro Enterprises	0.25	-
L. Corporate social responsibility		
Foundation for Advancement of Micro Enterprises	0.18	-

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 1, 2018**
M. Balance outstanding at the end of the year			
Trade Payable			
Accion Technical Advisors India	-	-	0.0051
Strategic Resources	-	0.0627	-
N. Long term loans and advances	-	-	
Aye Finance Employee Welfare Trust	0.1251	0.1251	0.1251
O. Investment in subsidiary company			
Foundation for Advancement of Micro Enterprises	0.2500	-	-

38 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 442,992 options as at March 31, 2020, 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. 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 307,122 options on July 02, 2019. Fair valuation has been carried at the grant date using the Black-Scholes model.
The shares of the Company are not listed on any stock exchange. Accordingly, the Company has considered the volatility of the Company's stock price as 0.01.

Advance of ₹ 1.75 crores paid to the Aye Finance Welfare Trust for subscribing to the shares of the Company has been adjusted for ₹ 0.56 crores in Note 21 being the face value of shares issued to the trust and ₹ 1.06 crores with Securities Premium account in Note 22 being the premium at which the shares were issued. Remaining amount of ₹ 0.12 crores has been appropriately eliminated.

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

Particulars	During the year ended March 31, 2020		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 (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	234,582	29.00	249,474	29.00	225,758	29.00
Granted during the year:	307,122	29.00	17,818	29.00	51,637	29.00
Vested during the year:	59,930	29.00	42,262	29.00	20,714	29.00
Exercised during the year:	56,372	29.00	-	-	-	-
Lapsed/Forfeited during the year:	42,340	29.00	32,710	29.00	27,921	29.00
Options outstanding at the end of the year:	442,992	29.00	234,582	29.00	249,474	29.00
Exercisable at end of year:	66,534	29.00	62,976	29.00	20,714	29.00

39 Income taxes

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

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Accounting profit before tax	39.95	33.66
(a)	Income tax expense		
	Current tax		
	Current tax on profits for the year	23.68	14.09
	Tax for earlier years	0.00	-
	Total current tax expense	**23.68**	**14.09**
	Deferred tax		
	Credit recognised in Statement of profit and loss	(16.14)	(4.46)
	Total deferred tax expense/(benefit)	**(16.14)**	**(4.46)**
	Income tax expense recognised in the statement of profit and loss	**7.54**	**9.64**

All amounts are in ₹ crores unless otherwise stated

39 Income taxes (cont'd)

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

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2020 and 2019 is, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit from continuing operations before income tax expense	39.95	33.66
Applicable tax rate	25.17%	29.12%
Computed tax expense	10.05	9.80
Tax effect of :		
Expenses Disallowed Permanent nature	0.97	0.29
Impact of deduction to NBFC	(1.25)	-
Expense disallowed of temporary differences	13.90	3.31
Deferred tax credit on temporary differences	(16.14)	(4.46)
Brought forward losses and depreciation	-	0.68
Income tax expense recognised in the statement of profit and loss	7.54	9.64
Income tax recognised in other comprehensive income	(0.08)	(0.05)
Total tax expense/(Income) recognised in other comprehensive income	7.46	9.59

(c) Deferred tax assets /liabilities

Components of deferred tax assets/ (liabilities)	As at March 31, 2019	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2020
Measurement of financial assets at amortised cost	5.96	1.02	-	-	6.98
Measurement of financial liabilities at amortised cost	(1.52)	(1.02)	-	-	(2.55)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.35	0.17	-	-	0.51
Impairment of loans	7.32	10.63	-	-	17.95
Provision for gratuity and compensated absences	0.96	5.24	0.08	-	6.27
Others	0.03	0.11	-	-	0.14
	13.10	**16.14**	**0.08**	**-**	**29.32**

Components of deferred tax assets/ (liabilities)	As at April 1, 2018	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2019
Measurement of financial assets at amortised cost	2.78	3.18	-	-	5.96
Measurement of financial liabilities at amortised cost	(0.40)	(1.12)	-	-	(1.52)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.02	0.33	-	-	0.35
Impairment of loans	4.87	2.46	-	-	7.32
Provision for gratuity and compensated absences	0.56	0.34	0.05	-	0.96
Carry Forward losses	0.64	(0.64)	-	-	-
Unabsorbed depreciation	0.17	(0.17)	-	-	-
Others	(0.05)	0.08	-	-	0.03
	8.59	**4.46**	**0.05**	**-**	**13.10**

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

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

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

43 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from April 1, 2020.

44 The outbreak of the COVID- 19 pandemic since last fortnight of March 2020 and consequent lockdown imposed by Government of India for more than two months has disrupted the Company's business operations. Given the dynamic nature of pandemic situation, the exact extent of impact would depend on the duration of the pandemic, the impacts of actions of Governments and other authorities, the responses of businesses and consumers operating in different industries/ business and the related overall impact on the Indian economy.

In terms of the policy approved by the Board of Directors of the Company pursuant to Reserve Bank of India (RBI) Circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 – Regulatory Package', the Company has granted Principal moratorium to its eligible customers i.e. customers who have not paid or partially paid during the moratorium period and are standard accounts as on February 29, 2020, for a period of 6 months with regards to the repayments falling due between March 01, 2020 to August 31, 2020.

Further, in relation to the customer accounts overdue but standard as at 29 February 2020, where moratorium benefit has been extended in terms of the aforesaid RBI guidelines, the staging of those accounts at March 31, 2020 is based on the days past due status as on February 29, 2020. The Company continues to recognise interest income on these accounts during the moratorium period.

Further, based on current available information and based on the policy approved by the Board of Directors, the Company has determined the provision for impairment of financial assets. The Company has done industry wise assessment of possible impact of the COVID-19 pandemic and significant increase in credit risk based on delayed payments metrics is observed along with an estimation of potential stress on probability of defaults and exposures at default. Accordingly, the Company has measured additional impairment loss allowance on loans and increased its impairment provision from INR 61 crores to INR 71 crores.

Given the uncertainty over the potential macro-economic conditions and considering the fact that the Company primarily grants loans to customers with low credit worthiness and those, who are unable to obtain credit from normal banking channels, the impact of the COVID-19 health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions, including significant decline in the credit worthiness of its customers which will be given effect to in the subsequent respective periods.

The Company has made an assessment of its liquidity position for the next one year and the recoverability of its loans granted as at March 31, 2020. Based on the above assessment, the management believes that no further adjustment is required in these financial statements due to business disruptions resulting from COVID 19 pandemic and the Company will continue to remain a Going concern.

All amounts are in ₹ crores unless otherwise stated

45 Disclosures relating to securitisation

A The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

S.No	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Total number of transactions entered during the year	8	2	3
	Total number of loan assets	50,914	8,843	6,034
	Total book value of loan assets	516.50	84.17	63.11
	Sale consideration received	467.77	77.70	57.13

B The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given belov

S.No	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
1	No. of SPV's sponsored by NBFC for securitisation transactions	9	4	3
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	338.34	73.61	51.05
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	45.51	10.55	2.92
	b) Others	51.43	11.25	5.98
4	Amount of exposures to securitization transactions other than MRR			
	i) Off-balance sheet exposures			
	- Exposure to own securitization			
	a) First Loss	-	-	-
	b) Loss	-	-	-
	- Exposure to third party securitisation			
	a) First Loss	-	-	-
	b) Loss	-	-	-
	ii) On-balance sheet exposures			
	- Exposure to own securitization			
	a) First Loss	-	-	-
	b) Loss	-	-	-
	- Exposure to third party securitisation			
	a) First Loss	-	-	-
	b) Loss	-	-	-

Aye Finance Private Limited
Notes forming part of the financial statements
All amounts are in ₹ crores unless otherwise stated

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

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	44	206	-	-	250	44	206	-	-	250
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.42	2.67	-	-	3.09	0.42	2.67	-	-	3.09
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.03	1.47	-	-	1.49	0.03	1.47	-	-	1.49
2	Fresh Restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	130	-	-	130	-	130	-	-	130
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	1.67	-	-	1.67	-	1.67	-	-	1.67
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.62	-	-	1.62	-	1.62	-	-	1.62
3	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	83	-	-	-	83	83	-	-	-	83
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.76	-	-	-	0.76	0.76	-	-	-	0.76
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.74	-	-	-	0.74	0.74	-	-	-	0.74
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2	2	-	-	-	2
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	0.01	-	-	-	0.01
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	0.01	-	-	-	0.01
5	Downgradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	4	-	-	-	4	4	-	-	-	4
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03	0.03	-	-	-	0.03
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03	0.03	-	-	-	0.03
6	Write-offs of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	5	47	-	-	52	5	47	-	-	52
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	112	202	-	-	314	112	202	-	-	314
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	1.04	2.55	-	-	3.59	1.04	2.55	-	-	3.59
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.01	2.45	-	-	3.46	1.01	2.45	-	-	3.46

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

* Write offs amount during the year have zero outstanding balance as on March 31, 2020

All amounts are in ₹ crores unless otherwise stated

47 Maturity analysis of assets and liabilities

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

	March 31, 2020			March 31, 2019			April 01, 2018		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets									
Cash and cash equivalents	172.15	-	172.15	140.43	-	140.43	11.22	-	11.22
Bank Balance other than cash and cash equivalents	50.25	5.75	55.99	17.47	8.37	25.84	13.59	3.01	16.60
Derivative financial instruments	-	3.28	3.28	-	-	-	-	-	-
Loans	751.16	934.16	1,685.32	524.00	479	1,002.57	242.31	199	440.82
Investments	-	0.25	0.25	68.41	-	68.41	40.82	-	40.82
Other Financial assets	34.97	5.84	40.82	17.86	5.33	23.19	8.20	-	8.20
Non-financial Assets									
Current Tax assets (Net)	-	1.03	1.03	-	-	-	-	0.84	0.84
Deferred tax Assets (Net)	-	29.32	29.32	-	13.10	13.10	-	8.59	8.59
Property, plant and equipment	-	5.78	5.78	-	3.10	3.10	-	2.28	2.28
Right of use assets	-	11.53	11.53	-	5.60	5.60	-	3.56	3.56
Capital work-in-progress	-	1.21	1.21	-	0.09	0.09	-	1.17	1.17
Other intangible assets	-	0.49	0.49	-	0.95	0.95	-	0.02	0.02
Other non-financial assets	4.84	-	4.84	6.01	-	6.01	1.30	-	1.30
Total Assets	**1,013.37**	**998.64**	**2,012.01**	**774.17**	**515.12**	**1,289.29**	**317.44**	**217.98**	**535.42**
LIABILITIES									
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of micro enterprises and small enterprises	0.54	-	0.54	0.06	-	0.06	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.83	-	15.83	9.99	-	9.99	4.10	-	4.10
Debt securities	271.54	589.61	861.15	8.38	466.68	475.05	-	230.47	230.47
Borrowings (other than debt securities)	311.87	215.99	527.86	155.78	124.31	280.09	110.60	93.78	204.38
Lease liability	3.87	8.23	12.11	2.82	2.89	5.71	1.65	1.75	3.40
Other financial liabilities	63.49	-	63.49	23.90	-	23.90	12.38	-	12.38
Non-Financial Liabilities									
Current tax liabilities (Net)	-	-	-	4.65	-	4.65	-	-	-
Provisions	0.79	6.83	7.62	0.51	3.49	3.99	0.28	1.77	2.04
Deferred tax liabilities (Net)	-	-	-	-	-	-	-	-	-
Other non-financial liabilities	6.72	-	6.72	4.62	-	4.62	2.09	-	2.09
Total liabilities	**674.65**	**820.66**	**1,495.30**	**210.69**	**597.36**	**808.06**	**131.10**	**327.78**	**458.87**
Net	**338.72**	**177.99**	**516.71**	**563.48**	**(82.25)**	**481.23**	**186.34**	**(109.80)**	**76.55**

All amounts are in ₹ crores unless otherwise stated

48 Capital

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

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

Capital management

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

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

Regulatory capital

Particulars	Carrying amount		
	As at March 31, 2020	**As at March 31, 2019**	**As at April 1, 2018**
Tier I Capital	445.82	460.02	62.01
Tier II Capital	-	3.13	1.36
Total Capital	445.82	463.15	63.37
Risk weighted assets	1,440.44	1,044.73	451.75
Tier I Capital Ratio (%)	30.95%	44.03%	13.73%
Tier II Capital Ratio (%)	0.00%	0.30%	0.30%

Tier 1 capital consists of shareholders' equity and retained earnings. Tier II Capital consists of general provision and loss reserve against standard assets . Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

49 Financial risk management framework

The Company's principal financial liabilities comprise borrowings from banks and debentures. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, price risk, currency risk & liquidity risk. The Company’s primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company’s board of directors has an overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Company’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company’s risk management committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

49.1 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans and advances primarily based on days past due monitoring at year end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.
As at March 31, 2020, the Company has capitalised interest accrued of approx INR 2 crores on account of moratorium cases.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentrations of risk, the Company’s policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

a Credit quality of financial loan and Investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gross carrying value of loans : Mortgage Loans			
Neither past due nor impaired	16.12	15.75	8.98
Past due but not impaired			
30 Past due	0.07	0.09	0.32
31-90 past due	0.10	0.05	0.19
Impaired (more than 90 days)	0.59	0.64	0.44
Total gross carrying value as at reporting date	16.89	16.52	9.93

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gross carrying value of loans : Quassi Mortgage loans			
Neither past due nor impaired	261.56	246.99	131.22
Past due but not impaired			
30 Past due	16.13	1.28	4.82
31-90 past due	3.88	1.89	1.97
Impaired (more than 90 days)	10.30	6.16	4.03
Total gross carrying value as at reporting date	291.87	256.33	142.04

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gross carrying value of loans : Hypothecated loans			
Neither past due nor impaired	1,412.47	757.49	304.13
Past due but not impaired			
30 Past due	25.97	2.73	5.37
31-90 past due	8.20	3.22	2.27
Impaired (more than 90 days)	26.05	10.41	5.93
Total gross carrying value as at reporting date	1,472.69	773.85	317.70

The Company reviews the credit quality of its loans based on the ageing of the loan at the year end. Since the company is into lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

b Inputs considered in calculation of ECL

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Months Past Due status.
Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days past due

Definition of default

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

Exposure at default

“Exposure at Default” (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

All amounts are in ₹ crores unless otherwise stated

49.1 Credit Risk (cont'd)

Estimations and assumptions used in the ECL model

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

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

Measurement of ECL

ECL is measured as follows:

- Financial assets that are not credit impaired at the reporting date: for Stage 1 & 2, gross exposure is multiplied by PD and LGD percentage to arrive at the
- financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD ;

Significant increase in credit risk

The Company considers its exposure in credit risk to have increased significantly, when the borrower crosses 30 DPD but is within 90DPD.

c Impairment loss

The expected credit loss allowance for Mortgage loan is determined as follows:

Particulars	Performing loans 12 month ECL	Underperforming Loans-Lifetime ECL-not credit impaired	Impaired loans-lifetime ecl-credit impaired	Total
Gross carrying value as at March 31, 2020	16.08	0.13	0.68	16.89
ECL rate	1.41%	86.41%	82.69%	
Carrying amount (net of provision)	15.85	0.02	0.12	15.99
Gross carrying value as at March 31, 2019	15.84	0.05	0.64	16.52
ECL rate	0.18%	73.29%	89.18%	
Carrying amount (net of provision)	15.81	0.01	0.07	15.89
Gross carrying value as at 1 April 2018	9.29	0	0.44	9.93
ECL rate	2.06%	94.06%	94.50%	
Carrying amount (net of provision)	9.10	0.01	0.02	9.14

The expected credit loss allowance for Quassi Mortgage loan is determined as follows:

Particulars	Performing loans 12 month ECL	Underperforming Loans-Lifetime ECL-not credit impaired	Impaired loans-lifetime ecl-credit impaired	Total
Gross carrying value as at March 31, 2020	277.11	3.93	10.82	291.86
ECL rate	2.00	93.15	93.42	
Carrying amount (net of provision)	271.58	0.27	0.71	272.56
Gross carrying value as at March 31, 2019	248.28	1.89	6.16	256.33
ECL rate	0.55%	87.89%	91.83%	
Carrying amount (net of provision)	246.92	0.23	0.50	247.65
Gross carrying value as at 1 April 2018	136.05	1.97	4.03	142.04
ECL rate	1.73%	85.36%	91.69%	
Carrying amount (net of provision)	133.69	0.29	0.33	134.31

The expected credit loss allowance for Hypothecated loan is determined as follows:

Particulars	Performing loans 12 month ECL	Underperforming Loans-Lifetime ECL-not credit impaired	Impaired loans-lifetime ecl-credit impaired	Total
Gross carrying value as at March 31, 2020	1,437.06	8.02	27.61	1,473
ECL rate	1.19	92.89	96.29	
Carrying amount (net of provision)	1,419.97	0.57	1.02	1,421.57
Gross carrying value as at March 31, 2019	760.22	3.22	10.41	773.85
ECL rate	0.40%	88.74%	95.51%	
Carrying amount (net of provision)	757.20	0.36	0.47	758.03
Gross carrying value as at 1 April 2018	309.50	2.27	5.93	317.70
ECL rate	1.08%	82.68%	91.93%	
Carrying amount (net of provision)	306.17	0.39	0.48	307.04

d Level of Assessment- Aggregation criteria

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

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

Gross Exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2018	9.29	0.19	0.44	9.93
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	-	-	-	-
- Transfer to stage 3	(0.29)	(0.11)	0.41	-
- Loans that have derecognised during the year	(3.52)	(0.08)	(0.07)	(4)
New loans originated during the year	10.36	0.05	-	10
Write offs	-	-	(0.14)	(0)
Gross carrying amount as at March 31, 2019	15.84	0.05	0.64	16.52
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.04	-	(0.04)	-
- Transfer to stage 2	(0.13)	0.13	-	-
- Transfer to stage 3	(0.50)	-	0.50	-
- Loans that have derecognised during the year	(4.40)	-	(0.13)	(4.54)
New loans originated during the year	5.22	-	0.06	5.28
write offs		(0.05)	(0.34)	(0.38)
Gross carrying amount as at March 31, 2020	16.08	0.13	0.68	16.89

All amounts are in ₹ crores unless otherwise stated

49.1 Credit Risk (cont'd)

Reconciliation of ECL balances

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances balances as at April 01, 2018	0.19	0.18	0.42	0.79
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	-	-	-	-
- Transfer to stage 3	(0.26)	(0.10)	0.36	-
- Loans that have derecognised during the year	0.08	(0.08)	(0.08)	(0.08)
New loans originated during the year	0.02	0.03	-	0.05
write offs	-	-	(0.13)	(0.13)
ECL allowances balances as at March 31, 2019	0.03	0.03	0.57	0.63
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.00	-	(0.00)	-
- Transfer to stage 2	(0.11)	0.11	-	-
- Transfer to stage 3	(0.41)	-	0.41	-
- Loans that have derecognised during the year	0.66	-	(0.15)	0.51
New loans originated during the year	0.05	-	0.05	0.10
write offs	-	(0.03)	(0.31)	(0.34)
ECL allowances balances as at March 31, 2020	0.23	0.11	0.56	0.90

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Quassi Mortgage loans is as follows:
Gross Exposure reconciliation:

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at April 01, 2018	136.05	1.97	4.03	142.04
- Transfer to stage 1	0.20	(0.19)	(0.01)	-
- Transfer to stage 2	(1.43)	1.46	(0.03)	-
- Transfer to stage 3	(4.42)	(0.53)	4.95	-
- Loans that have derecognised during the year	(58.59)	(1.18)	(2.02)	(61.78)
New loans originated during the year	176.47	0.36	0.82	177.64
write offs	(0.00)	(0.00)	(1.57)	(1.57)
Gross carrying amount as at March 31, 2019	248.28	1.89	6.16	256.33
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.08	(0.05)	(0.03)	-
- Transfer to stage 2	(3.14)	3.14	-	-
- Transfer to stage 3	(8.77)	(0.65)	9.42	-
- Loans that have derecognised during the year	(113.32)	(0.61)	(0.81)	(115)
New loans originated during the year	154.13	0.73	0.93	156
write offs	(0.15)	(0.51)	(4.84)	(5)
Gross carrying amount as at March 31, 2020	277.11	3.94	10.82	291.87

Reconciliation of ECL balances

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances balances as at April 01, 2018	2.36	1.68	3.69	7.73
- Transfer to stage 1	0.00	(0.00)	(0.00)	-
- Transfer to stage 2	(1.26)	1.28	(0.02)	-
- Transfer to stage 3	(4.06)	(0.49)	4.54	-
- Loans that have derecognised during the year	3.35	(1.13)	(1.82)	0.40
New loans originated during the year	0.97	0.31	0.75	2.03
write offs	-	(0.00)	(1.47)	(1.48)
ECL allowances balances as at March 31, 2019	1.36	1.66	5.66	8.68
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.00	(0.00)	(0.00)	-
- Transfer to stage 2	(2.92)	2.92	-	-
- Transfer to stage 3	(8.19)	(0.60)	8.80	-
- Loans that have derecognised during the year	12.74	(0.53)	(0.67)	12
New loans originated during the year	2.53	0.68	0.87	4
write offs	(0.00)	(0.46)	(4.54)	(5)
ECL allowances balances as at March 31, 2020	5.53	3.66	10.11	19.31

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Hypothecated loans is as follows:
Gross Exposure reconciliation:

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at April 01, 2018	309.50	2.27	5.93	318
- Transfer to stage 1	0.10	(0.08)	(0.03)	-
- Transfer to stage 2	(1.54)	1.54	-	-
- Transfer to stage 3	(7.96)	(0.30)	8.26	-
- Loans that have derecognised during the year	(225.30)	(1.85)	(2.54)	(230)
New loans originated during the year	685.45	1.66	2.07	689
write offs	(0.03)	(0.03)	(3.27)	(3)
Gross carrying amount as at March 31, 2019	760.22	3.22	10.41	773.85
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.01	(0.01)	-	-
- Transfer to stage 2	(5.42)	5.42	(0.00)	-
- Transfer to stage 3	(24.19)	(0.60)	24.79	-
- Loans that have derecognised during the year	(538.56)	(0.61)	(0.73)	(539.90)
New loans originated during the year	1,245.18	2.58	3.20	1,250.96
write offs	(0.74)	(1.98)	(9.51)	(12.22)
Gross carrying amount as at March 31, 2020	1,436.50	8.02	28.17	1,472.69

All amounts are in ₹ crores unless otherwise stated

49.1 Credit Risk (cont'd)

Reconciliation of ECL balances

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances balances as at April 01, 2018	3.33	1.88	5.45	11
- Transfer to stage 1	0.00	(0.00)	(0.00)	-
- Transfer to stage 2	(1.37)	1.37	-	-
- Transfer to stage 3	(7.60)	(0.28)	7.88	-
- Loans that have derecognised during the year	5.93	(1.55)	(2.23)	2
New loans originated during the year	2.72	1.48	1.98	6
write offs	(0.00)	(0.03)	(3.13)	(3)
ECL allowances balances as at March 31, 2019	3.02	2.86	9.95	15.83
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.00	(0.00)	-	-
- Transfer to stage 2	(5.03)	5.04	(0.00)	-
- Transfer to stage 3	(22.74)	(0.57)	23.32	-
- Loans that have derecognised during the year	28.14	(0.46)	(0.46)	27.22
New loans originated during the year	13.70	2.39	3.10	19.19
write offs	(0.00)	(1.80)	(9.32)	(11.12)
ECL allowances balances as at March 31, 2020	17.08	7.45	26.58	51.12

Cash and cash equivalent and Bank deposits

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

49.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Refer to note 55.6 for the ALM as a part of the financial statements.

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

Maturities of financial liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

Particulars	**March 31, 2020**			**March 31, 2019**			**April 1, 2018**		
Financial Liabilities	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial liabilities									
Lease liabilities	3.87	8.23	12.11	2.82	2.89	5.71	1.65	1.75	3.40
Debt securities	271.54	589.61	861.15	8.38	466.68	475.05	-	230.47	230.47
Borrowings(other than debt sec.)	311.87	215.99	527.86	155.78	124.31	280.09	110.60	93.78	204.38
Trade payables	16.36	-	16.36	10.05	-	10.05	4.10	-	4.10
Other financial liabilities	63.49	-	63.49	23.90	-	23.90	12.38	-	12.38
Total undiscounted financial liabilities	667.14	813.83	1,480.97	200.92	593.87	794.80	128.73	326.01	454.74

49.3 Market risk

a Foreign currency risk

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

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

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

Particulars	**Currency**	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 1, 2018**
Financial liabilities in ₹	USD	37.45	-	-

All amounts are in ₹ crores unless otherwise stated

49.3 Market Risk (cont'd)

b. Interest rate risk

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

b.1 Liabilities

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Debt securities			
Variable rate	-	-	-
Fixed rate	861.15	475.05	230.47
Borrowings (other than debt)			
Variable rate	77.92	84.04	30.93
Fixed rate	449.94	196.05	173.45
Sensitivity analysis			
increase by 30 basis points	0.23	0.25	0.09
decrease by 30 basis points	0.23	0.25	0.09

b.2 Assets

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

Loans extended by the Company are all fixed rate loans

c Price risk exposure

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

	As at March 31, 2020	**As at March 31, 2019**
Investments	5.84	73.74
Sensitivity analysis		
increase by 9%	0.53	6.64
decrease by 9%	(0.53)	(6.64)

All amounts are in ₹ crores unless otherwise stated

50 Leases

As a lessee, the Company has recognised a right-of-use asset and a lease liability as per Ind AS 116 from the date of transition to IND AS i.e. w.e.f April 1, 2018. Below are the carrying amounts of right to use assets and lease liabilities and the movements during the year.

50.1.1 Carrying value of right of use assets:

Particulars	Total	Leases	Security Deposits
Balance at April 1, 2018	**3.56**	**3.40**	**0.16**
Additions	4.70	4.61	0.09
deletion	-	-	-
Depreciation charge for the year	(2.66)	(2.58)	(0.08)
Balance at March 31, 2019	**5.60**	**5.43**	**0.17**
Additions	10.53	10.17	0.36
deletion	-	-	-
Depreciation charge for the year	(4.60)	(4.46)	(0.14)
Balance at March 31, 2020	**11.53**	**11.14**	**0.39**

50.1.2 Carrying value of Lease liabilities:

Particulars	Total	Leases	Security Deposits
Balance at April 1, 2018	**3.40**	3.40	-
Additions	4.61	4.61	-
Finance cost	0.81	0.81	-
Lease payments	(3.11)	(3.11)	-
Balance at March 31, 2019	**5.71**	**5.71**	-
Additions	10.17	10.17	-
Finance cost	1.57	1.57	-
Lease payments	(5.34)	(5.34)	-
Balance at March 31, 2020	**12.11**	**12.11**	-

50.1.3 Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Less than one year	5.22	3.06	1.98
One to five years	9.70	3.63	2.08
More than five years	0.36	-	-
Total undiscounted lease liabilities at March 31, 2020	**15.28**	**6.69**	**4.07**

50.1.4 Amounts recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on lease liabilities	1.57	0.81
Depreciation on ROU assets	4.46	2.58
Total	**6.03**	**3.39**

50.1.5 Cash outflow of leases

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash outflow of leases		
Lease payments	5.34	3.11

50.1.6 Break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current lease liabilities	3.87	2.82	1.65
Non-current lease liabilities	8.23	2.89	1.75
Total	**12.11**	**5.71**	**3.40**

51 First-time adoption of Ind AS

As stated in note 2, the financial statements for the year ended March 31, 2020 are the first annual financial statements prepared in accordance with Ind AS. For periods upto and including the year ended March 31, 2019, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2020, together with the comparative year data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 ('the transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

51.1 Optional Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

51.1.1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

51.1.2 Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 109 requires that all financial assets and financial liabilities must be initially recognised at fair value (adjusted for transaction costs for financial assets and liabilities not measured at fair value through profit or loss). An entity must consider the specific guidance in Ind AS 113 Fair Value Measurement on measuring fair value when determining the carrying amount of financial assets and financial liabilities at the date of transition to Ind ASs. This applies even if the financial asset or financial liability is not subsequently measured at fair value, because fair value at initial recognition will be the opening carrying amount at the date of transition to Ind AS. Ind AS 109 limit up-front gain/loss recognition unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. Para D20 of Ind AS 101 permits that the day 1 profit and loss guidance contained in paragraph B5.1.2A of Ind AS 109 need not be applied to transactions entered into before the date of transition to Ind AS.

The company has availed this option due to its operational convenience so that day 1 gain / loss of previously recognized financial instruments need not be segregated.

51.1.3 Leases

The Company has applied Ind AS 116 'Leases' for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date. The Company has availed the exemption to assess whether an arrangement contains a lease based on facts and circumstances existing on date of transition to Ind AS.

51.1.4 Share based payment

Ind-AS 101 allows a first-time adopter to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind AS. The Company has elected to avail the exemption.

51.2 Mandatory exceptions Applied

51.2.1 Estimates

The estimates at April1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

FVPTL – equity and debt instrument
Impairment of financial assets based on expected credit loss model
EIR on borrowings, sourcing income and costs

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2018, the date of transition to Ind AS and as of March 31, 2019.

51.2.2 De-recognition of financial assets

The Company have applied de-recognition principles of Ind AS 109 retrospectively from the date of transition to Ind AS. Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognised only when the Company transfers substantially all the risks and rewards related to the cash flows. The Company has not elected the exemption of applying the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date. The Company has applied de-recognition requirements of financial assets and financial liabilities retrospectively from as the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions were obtained at the time of initially accounting for those transactions.

51.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the Company has applied the above requirement retrospectively.

All amounts are in ₹ crores unless otherwise stated

51.2.4 Impairment of financial assets

The Company being NBFC company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (RBI Prudential Norms) as prevailed under previous GAAP.

Accordingly, the Company has developed ECL model for testing of impairment of loans and advances retrospectively.

51.3 Reconciliations between previous GAAP and Ind AS

51.3.1 Reconciliation of total equity as at March 31, 2019

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
Financial Assets			
Cash and cash equivalents	140.43	0.00	140.43
Bank Balance other than cash and cash equivalents	25.70	0.14	25.84
Loans	989.09	13.47	1,002.57
Investments	68.08	0.32	68.41
Other Financial assets	29.64	(6.45)	23.19
Non-financial Assets			
Current Tax assets (Net)			
Deferred tax Assets (Net)	6.86	6.23	13.10
Property, plant and equipment	3.10	-	3.10
Right of use assets	-	5.60	5.60
Capital work-in-progress	0.09	-	0.09
Other intangible assets	0.95	-	0.95
Other non-financial assets	6.01	0.00	6.01
Total Assets	**1,269.96**	**19.33**	**1,289.29**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small	0.06	-	0.06
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.99	0.00	9.99
Debt securities	479.55	(4.50)	475.05
Borrowings (other than debt securities)	228.63	51.46	280.09
Lease liability	-	5.71	5.71
Other financial liabilities	23.90	-	23.90
Non-Financial Liabilities			
Current tax liabilities (Net)	4.65	0.00	4.65
Provisions	23.08	(19.09)	3.99
Other non-financial liabilities	4.62	-	4.62
EQUITY			
Share Capital	27.04	-	27.04
Other Equity	468.45	(14.26)	454.19
Total Liabilities and Equity	**1,269.96**	**19.33**	**1,289.29**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

All amounts are in ₹ crores unless otherwise stated

51.3 Reconciliations between previous GAAP and Ind AS (cont'd)

51.3.2 Reconciliation of total equity as at April 01, 2018

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
Financial Assets			
Cash and cash equivalents	11.22	0.00	11.22
Bank Balance other than cash and cash equivalents	16.47	0.13	16.60
Loans	424.58	16.24	440.82
Investments	40.71	0.11	40.82
Other Financial assets	16.06	(7.87)	8.20
Current Tax assets (Net)	0.84	-	0.84
Deferred tax Assets (Net)	-	8.59	8.59
Property, plant and equipment	2.28	-	2.28
Right of use assets	-	3.56	3.56
Capital work-in-progress	1.17	-	1.17
Other intangible assets	0.02	-	0.02
Other non-financial assets	1.30	0.00	1.30
Total Assets	**514.66**	**20.77**	**535.42**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.10	0.00	4.10
Debt securities	231.80	(1.33)	230.47
Borrowings (other than debt securities)	166.75	37.63	204.38
Lease liability	-	3.40	3.40
Other financial liabilities	12.38	-	12.38
Non-Financial Liabilities			
Provisions	8.15	(6.10)	2.04
Other non-financial liabilities	2.09	-	2.09
EQUITY			
Share Capital	15.83	-	15.83
Other Equity	73.55	(12.83)	60.72
Total Liabilities and Equity	**514.66**	**20.77**	**535.42**

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

51.3.4 Profit Reconciliation for the year ended March 31, 2019

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations			
Interest Income	207.57	(7.74)	199.83
Fees and commission income	5.47	-	5.47
Net gain on fair value changes	3.93	0.56	4.49
Total Revenue from operations (I)	216.97	(7.18)	209.79
Other Income (II)	0.59	(0.00)	0.59
Total Income (III)=(I+II)	**217.56**	**(7.18)**	**210.38**
Expenses			
Finance Costs	72.66	0.56	73.22
Impairment on financial assets	24.54	(8.21)	16.33
Employee Benefits Expenses	60.20	(0.18)	60.02
Depreciation and amortization	2.32	2.66	4.98
Other expenses	25.51	(3.34)	22.17
Total Expenses (IV)	**185.24**	**(9)**	**176.72**
Profit / (loss) before tax (V)=(III-IV)	32.32	1.35	33.66
Exceptional items (VI)	-	-	-
Profit/(loss) before tax (VII)=(V -VI)	32.32	1.35	33.66
Tax Expense: (VI)	7.23	2.41	9.64
(1) Current Tax	14.09	-	14.09
(2) Deferred Tax	(6.86)	2.41	(4.46)
Profit/(loss) for the year from continuing operations (VII)=(V-VI)	25.08	(1.06)	24.02
Profit/(loss) for the year	25.08	(1.06)	24.02

All amounts are in ₹ crores unless otherwise stated

51.3 Reconciliations between previous GAAP and Ind AS (cont'd)

51.3.4 Profit Reconciliation for the year ended March 31, 2019

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	-	0.18	0.18
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.05)	(0.05)
Subtotal	-	0.13	0.13
Total comprehensive income	25.08		23.89

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

51.3.5 Reconciliation of total equity as at March 31, 2019 and April 1, 2018

Particulars	As at March 31, 2019	As at April 1, 2018
Total equity (shareholders' funds) under previous GAAP	495.49	89.38
Measurement of financial assets at amortised cost	(10.92)	(10.03)
Measurement of financial liabilities at amortised cost	3.36	2.77
Fair value of investments	0.55	0.11
Impact of impairment of financial instruments	8.21	(14.49)
Others	(0.22)	0.22
Deferred tax impact on Ind AS adjustments	(2.41)	8.59
Previous year IND AS Adjustment impact	(12.83)	-
Total adjustment to equity	**(14.26)**	**(12.83)**
Total equity under Ind AS	**481.23**	**76.55**

51.3.6 Reconciliation of total comprehensive income for the year March 31, 2019

Particulars	For the Year ended March 31, 2019
Profit as per previous GAAP	25.08
Adjustments:	
Measurement of financial assets at amortised cost	(10.92)
Measurement of financial liabilities at amortised cost	3.36
Impact of impairment of financial instruments	8.21
Share issue expenses	0.23
Fair valuation of investment	0.55
Actuarial gains on employee benefits reclassed to other comprehensive income	0.18
Others	(0.28)
Deferred tax impact on Ind AS adjustments	(2.41)
Total effect of transition to Ind AS	**(1.06)**
Profit for the year as per Ind AS	24.02
Gain on remeasurement of post employment benefit obligation (net of tax)	(0.13)
Total comprehensive income under Ind AS	**23.89**

All amounts are in ₹ crores unless otherwise stated

51.3 Reconciliations between previous GAAP and Ind AS (cont'd)

51.3.7 Impact of Ind AS adoption on statement of cash flows for the year ended on March 31, 2019

Particulars	Previous GAAP	Ind AS adjustments	Ind AS
Net cash flows from operating activities	(471.93)	(3.64)	(475.57)
Net cash flows from investing activities	(25.52)	(7.04)	(32.56)
Net cash flows from financing activities	626.67	10.68	637.34
Net increase (decrease) in cash and cash equivalents	**129**	**(0)**	**129**
Cash and cash equivalents at the beginning of the period	**11.22**	**0.00**	11.22
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the period	**140.43**	**0.00**	**140.43**

51.4 Footnotes to the reconciliation of equity as at April 1, 2018 and March 31, 2019 and profit or loss for the year ended March 31, 2019

51.4.1 Borrowings (including debt securities)

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

51.4.2 Loans at amortised cost

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

51.4.3 Security deposits paid

Under the previous GAAP, security deposits given towards lease of property were presented at its transaction value. However, as per Ind AS 109, security deposits given are measured at its fair value at the time of its initial recognition The difference between the initial fair value and transaction value of such deposits are considered as additional lease payment made, and is amortised over the term of such deposit, These deposits are fair valued at the end of each period based upon applicable interest rates and an interest income is recognised in statement of profit and loss.

51.4.4 Financial instruments carried at fair value through profit and loss

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss (FVTPL).

51.4.5 Impairment of loan assets

Under previous GAAP, the Company has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India (‘RBI’). Under Ind AS, impairment allowance has been determined based on expected credit loss (‘ECL’) model .

51.4.6 Share based payment

Under the previous GAAP, the Company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognised based on the fair value of the options as at the grant date.

51.4 Footnotes to the reconciliation of equity as at April 1, 2018 and March 31, 2019 and profit or loss for the year ended March 31, 2019

51.4.7 Securitisation

Under previous GAAP, the Company used to de-recognise the securitised loan assets and excess interest spread income was recognised on receipt basis. Under Ind AS 109, securitised loan assets does not meet de-recognition criteria and accordingly, the Company continue to recognise such loan assets and in addition recognises a liability for the amount received. Accordingly, securitised loan assets and related liability is measured at amortised cost using effective interest method.

51.4.8 Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

51.4.9 Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

51.4.10 Remeasurement of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS, such actuarial gains and losses are recognised in other comprehensive income.

51.4.11 Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transition adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

All amounts are in ₹ crores unless otherwise stated

52 Financial instruments and Fair value disclosures

A Financial assets and liabilities

The carrying amount of financial instrument by category are as follows:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Financial Assets measured at fair value			
Derivative financial instruments	3.28	-	-
Investment measured at FVTPL	5.84	73.74	40.82
Financial Assets measured at amortised cost			
Cash and cash equivalents	172.15	140.43	11.22
Bank Balance other than cash and cash equivalents	55.99	25.84	16.60
Investment	0.25	-	-
Loans	1,685.32	1,002.57	440.82
Security deposits	1.40	0.88	0.59
Other financial assets	33.57	16.98	7.61
Total	**1,957.82**	**1,260.43**	**517.66**
Financial liabilities measured at fair value			
Derivative financial instrument	-	-	-
Financial liabilities measured at amortised cost			
Trade payables	16.36	10.05	4.10
Other payables	-	-	-
Debt securities	861.15	475.05	230.47
Borrowings (other than debt securities)	527.86	280.09	204.38
Lease liability	12.11	5.71	3.40
Other financial liabilities	63.49	23.90	12.38
	1,480.97	**794.80**	**454.74**

B. Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped in three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:
The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment at FVTPL				
Mutual funds	5.84	-	-	5.84
Derivative financial instruments at FVTPL				
Currency and interest swaps		3.28	-	3.28
	5.84	**3.28**	-	**9.13**

All amounts are in ₹ crores unless otherwise stated

52 Financial instruments and Fair value disclosures (cont'd)

As at March 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment at FVTPL				
Mutual funds	73.74	-	-	73.74
Derivative financial instruments at FVTPL				
Currency and interest swaps	-	-	-	-
	73.74	-	-	**73.74**

As at April 01, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment at FVTPL				
Mutual funds	40.82	-	-	40.82
Derivative financial instruments at FVTPL				
Currency and interest swaps	-	-	-	-
	40.82	-	-	**40.82**

Valuation process and technique used to determine fair value
Specific valuation techniques used to value financial instruments include:

i) The use of net asset value for mutual funds on the basis of the statement received from investee party
ii) The value of derivative contracts are determined using forward exchange rates at balance sheet date.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	**As at March 31, 2020**		**As at March 2019**		**As at April 01, 2018**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Financial Assets						
Cash and cash equivalents	172.15	172.15	140.43	140.43	11.22	11.22
Bank Balance other than cash and cash equivalents	55.99	55.99	25.84	25.84	16.60	16.60
Loans	1,685.32	1,685.32	1,002.57	1,002.57	440.82	440.82
Investment in subsidiary	0.25	0.25	-	-	-	-
Security deposits	1.40	1.40	0.88	0.88	0.59	0.59
Other financial assets	33.57	33.57	16.98	16.98	7.61	7.61
Total	**1,948.69**	**1,948.69**	**1,186.70**	**1,186.70**	**476.84**	**476.84**
Financial Liabilities						
Trade payables	16.36	16.36	10.05	10.05	4.10	4.10
Other payables	-	-	-	-	-	-
Debt securities	861.15	861.15	475.05	475.05	230.47	230.47
Borrowings (other than debt securities)	527.86	527.86	280.09	280.09	204.38	204.38
Lease liability	12.11	12.11	5.71	5.71	3.40	3.40
Other financial liabilities	63.49	63.49	23.90	23.90	12.38	12.38
	1,480.97	**1,480.97**	**794.80**	**794.80**	**454.74**	**454.74**

52 Financial instruments and Fair value disclosures (cont'd)

Valuation methodologies of financial instruments not measured at fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

i) The management assessed that fair values of the following financial instruments to be approximate their respective carrying amounts, largely due to the short-term maturities of these instruments:
Cash and cash equivalents
Bank balances other than cash and cash equivalents
Trade payables

ii) For instruments, having contractual residual maturity, the carrying value has been considered as fair value.

iii) The management assessed that fair values arrived by using the prevailing interest rates at the end of the reporting periods to be approximate their respective carrying amounts in case of the following financial instruments-
Loans
Debt Securities

Aye Finance Private Limited
Notes forming part of the financial statements
All amounts are in ₹ crores unless otherwise stated

53.A Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms
This is for the year March 31, 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,732.64	22.84	1,709.79	9.02	13.82
	Stage 2	12.10	11.23	0.86	0.64	10.59
	Stage 3	0.51	0.51	-	0.03	0.49
Subtotal		**1,745.24**	**34.59**	**1,710.66**	**9.69**	**24.90**
Non-Performing Assets (NPA)						
Substandard	Stage 3	38.57	36.71	1.85	4.74	31.97
Doubtful - up to 1 year	Stage 3	0.03	0.03	-	0.03	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**0.03**	**0.03**	**-**	**0.03**	**-**
Loss		-	-	-	-	-
Subtotal for NPA	Stage 3	**38.60**	**36.74**	**1.85**	**4.77**	**31.97**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	1,732.64	22.84	1,709.79	9.02	13.82
	Stage 2	12.10	11.23	0.86	0.64	10.59
	Stage 3	39.11	37.26	1.85	4.79	32.46
	Total	1,783.84	71.33	1,712.51	14.46	56.87

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

All amounts are in ₹ crores unless otherwise stated

53.B Disclosures pursuant to Reserve bank of India notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification
This is for the year March 31, 2019

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,022.44	4.40	1,018.04	4.11	0.29
	Stage 2	5.06	4.47	0.59	0.02	4.45
	Stage 3	-	-	-		-
Subtotal		**1,027.50**	**8.87**	**1,018.63**	**4.13**	**4.74**
Non-Performing Assets (NPA)						
Substandard	Stage 3	19.21	16.27	1.76	2.06	14.22
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA	Stage 3	**19.21**	**16.27**	**1.76**	**2.06**	**14.22**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	1,022.44	4.40	1,018.04	4.11	0.29
	Stage 2	5.06	4.47	0.59	0.02	4.45
	Stage 3	19.21	16.27	2.93	2.06	14.22
	Total	1,046.70	25.14	1,021.56	6.19	18.95

All amounts are in ₹ crores unless otherwise stated

54. Disclosure under the Prudential Norms

Particulars as per RBI Directions as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:

Particulars	**March 31, 2020**				**March 31, 2019**			
	Principal Amount outstanding	**Interest Accrued but not due**	**Amount Overdue**	**Total**	**Principal Amount outstanding**	**Interest Accrued but not due**	**Amount Overdue**	**Total**
1 Liability side:								
Loans & advances availed by non-banking financial company								
a) Debentures								
- Secured	762.16	26.80	-	788.96	473.96	10.78	-	484.74
- Unsecured	98.99	1.48	-	100.47	1.10	0.28	-	1.38
(other than falling within the meaning of public deposits)								
b) Deferred credits	-	-	-	-	-	-	-	-
c) Term Loans	513.56	1.83	-	515.39	263.79	1.11	-	264.90
d) Inter-Corporate Loans and Borrowing	-		-	-	-	-	-	-
e) Other Loans	14.30	0.09	-	14.39	16.30	0.04	-	16.34
Represents Working Capital Demand Loans and Cash Credit from Banks								
Total	**1,389.01**	**30.20**	**-**	**1,419.21**	**755.15**	**12.21**	**-**	**767.36**

All amounts are in ₹ crores unless otherwise stated

54. Disclosure under the Prudential Norms (cont'd)

Particulars as per RBI Directions as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

Particulars	March 31, 2020	March 31, 2019
Assets side:		
2 Break-up of Loans and Advances including Bills Receivables		
[other than those included in (4) below]:		
(a) Secured	-	-
(b) Unsecured	1,685.32	1,002.57
3 Break up of Leased Assets and Stock on Hire and Other		
Assets counting towards AFC activities		
(i) Lease Assets including Lease Rentals Accrued and Due:		
a) Financial Lease	-	-
b) Operating Lease	-	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC Activities		
a) Loans where Assets have been Repossessed	-	-
b) Loans other than (a) above	-	-
4 Break-up of Investments (net of provision for diminution in value):		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		
a) Equity	0.25	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	5.84	73.74
iv. Government Securities	-	-
v. Others (please specify)	-	-
Long Term Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-

All amounts are in ₹ crores unless otherwise stated

54. Disclosure under the Prudential Norms (cont'd)

Particulars as per RBI Directions as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

4 Break-up of Investments (net of provision for diminution in value):

Particulars	March 31, 2020	March 31, 2019
Long Term Investments:		
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (Pass through certificates)	-	-
5 Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other Related Parties	-	-
2. Other than Related Parties	1,685.32	1,002.57
6 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other Related Parties	-	-
2. Other than Related Parties (excluding mutual funds)	-	-
7 Other Information		
(i) Gross credit impaired assets		
a. Related party	-	-
b. Other than related party	39.67	17.22
(ii) Net credit impaired assets		
(a) Related party	-	-
(b) Other than related party	2.41	1.04
(iii) Assets Acquired in Satisfaction of Debt	-	-

55 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 17, 2020.

55.1 Summary of Significant Accounting Policies –

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

55.2 Capital

Particulars		Current Year	Previous Year
i)	CRAR (%)	30.95%	44.33%
ii)	CRAR - Tier I Capital (%)	30.95%	44.03%
iii)	CRAR - Tier II Capital (%)	0.0	0.30%
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

55.3 Investments

(Amount in ₹ crores)

Particulars			Current Year	Previous Year
(1)	Value of Investments		-	-
	(i)	Gross Value of Investments	-	-
	(a)	In India	6.09	73.74
	(b)	Outside India	-	-
	(ii)	Provisions for Depreciation	-	-
	(a)	In India	-	-
	(b)	Outside India	-	-
	(iii)	Net Value of Investments	-	-
	(a)	In India	6.09	73.74
	(b)	Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		-	-
	(i)	Opening balance	-	-

55 Additional information to the financial statements

Particulars			Current Year	Previous Year
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less Write-off/ write-back of excess Provisions during the year	-	-
	(iv)	Closing Balance	-	-

55.4 Derivatives

55.4.1 Forward Rate Agreement / Interest Rate Swap

(Amount in ₹ crores)

Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements	34.5	-
(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	3.28	-

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

55.4.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in ₹ crores)

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	

55 Additional information to the financial statements

S.No.	Particulars		Amount
(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	

55.4.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

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

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

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

Quantitative Disclosures Amount in ₹ crores

S.No.	Particulars	March 31, 2020		March 31, 2019	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1)	Derivative (Notional Principal Amount) – for hedging	34.5	-	-	-
2)	Marked to Market positions	3.2	-	-	-
3)	Credit Exposure	34.5	-	-	-
4)	Unhedged exposures	-	-	-	-

- Cross currency interest rate swap

Notes forming part of the financial statements

55 Additional information to the financial statements

55.5 Disclosures relating to Securitisation

Refer Note No. 45 of the financial statements.

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

As at March 31, 2020 (Amount in ₹ 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*	31.06	42.08	52.28	115.37	529.27	960.64	25.44	0.51	1,756.65
Investments*	56.92	2.68	2.96	12.35	25.37	11.59	-	0.25	112.13
Borrowing*	11.79	29.65	41.60	169.70	335.44	645.83	117.31	-	1,351.32
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	37.69	-	-	37.69

As at March 31, 2019 (Amount in ₹ 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 *	39.53	43.65	44.34	137.06	271.54	466.90	23.98	0.73	1,027.72
Investments*	107.20	30	22.71	2.03	14.14	2.59	5.78	-	184.45
Borrowing*	33.87	13.94	12.78	39.78	66.29	563.53	24.24	0.72	755.15
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

Notes

* EIR on borrowings and advances has been considered in the 1-3 years bucket.

* The advances are gross of impairment loss allowance.

* Advances and borrowings are inclusive of the securitisation transactions which have not been de-recognised in the books of accounts in accordance with Ind AS 109.

* Above ALM does not consider cash balance existing as on balance sheet date.

Notes forming part of the financial statements

55 Additional information to the financial statements

55.7 Exposures

55.7.1 Exposure to Real Estate Sector

(Amount in ₹ Crores)

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
	(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

55.7.2 Exposure to Capital Market

(Amount in ₹ crores)

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	NIL	NIL

Notes forming part of the financial statements

55 Additional information to the financial statements

Particulars		Current year	Previous year
	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;		
(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 on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(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

55.8 Details of financing of parent company products

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

55.9 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.

55.10 Unsecured Advances

The Company has given ₹ 1,685.32 crores on account of Business loans.

55.11. Miscellaneous

55.11.1 Registration obtained from other financial sector regulators

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

Registration/ License Type	Registration/ License Authority	Registration/ License Number
Certificate of registration	Reserve Bank Of India	B-14.03323

Notes forming part of the financial statements

55 Additional information to the financial statements

55.11.2 Disclosure of Penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2020.

55.11.3 Related Party Transactions

Refer note 37 of Financial Statements for related party transaction disclosure.

55.11.4 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 2019-20	[IND] A-	Stable
a). Fund based term loan of ₹ 55.6 crores b). NCD ₹ 478.80 crores c). NCD ₹ 20 crores by ICRA	FY 2019-20	[ICRA] BBB^{+} [ICRA] BBB^{+} [ICRA] A (CE)	Stable Stable Stable
Aye Finance Private Limited by India Ratings & Research	FY 2018-19	[IND] BBB^{+}	Stable
Fund based term loan of ₹ 55.6 crores by ICRA	FY 2018-19	[ICRA] BBB	Stable

55.12 Additional Disclosures

55.12.1 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	36.54	8.46
Provision made towards Income tax net of deferred tax	9.11	9.67
Other Provision and Contingencies	-	-
Provision for Standard Assets	9.61	-

55.12.2 Draw Down from Reserves

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

Notes forming part of the financial statements

55 Additional information to the financial statements

55.13 Concentration of Deposits, Advances, Exposures and NPAs

The Company has not taken any deposits from any party.

55.13.1 Concentration of Advances

(Amount in ₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Advances to twenty largest borrowers	4.80	2.57
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.27%	0.25%

55.13.2 Concentration of Exposures

(Amount in ₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers/Customers	4.89	2.6
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.28%	0.26%

55.13.3 Concentration of NPAs

(Amount in ₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top four credit impaired accounts	0.35	0.38

55.13.4 Sector-wise NPAs

S. No.	Sector	Percentage of NPAs to total advances in that sector
1	Agriculture & allied activities	-
2	MSME	2.20%
3	Corporate borrowers	-
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-

55 Additional information to the financial statements

7	Other personal loans	-

55.13.5 Movement of NPAs

(Amount in ₹ Crore)

Particulars			Current Year	Previous year
(i)	Net NPAs to Net Advances (%)		0.11%	0.10%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	17.22	10.40
	(b)	Additions during the year	38.89	11.80
	(c)	Reductions during the year	(16.44)	(4.98)
	(d)	Closing balance	39.67	17.22
(iii)	Movement of Net NPAs			
	(a)	Opening balance	1.04	0.84
	(b)	Additions during the year	2.35	0.44
	(c)	Reductions during the year	(0.98)	(0.24)
	(d)	Closing balance	2.41	1.04
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	16.18	9.56
	(b)	Additions during the year	36.54	11.35
	(c)	Reductions during the year	(15.46)	(4.74)
	(d)	Closing balance	37.26	16.18

55.14 Overseas Assets

The Company does not own any assets outside the country.

55.15 Off – balance sheet SPVs sponsored

The Company is now required to provide its financial statements under Ind-AS, which requires all securitisation related SPV's to be consolidated in the books of the originator (the Company). Accordingly, these SPV's stand consolidated and none of the SPV's sponsored are off-balance sheet does not have any off balance sheet SPVs sponsored.

Notes forming part of the financial statements

55 Additional information to the financial statements

55.16 Disclosure of Complaints

S.No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	No. of complaints pending at the beginning of the year	9	0
(b)	No. of complaints received during the year	410	237
(c)	No. of complaints redressed during the year	419	228
(d)	No. of complaints pending at the end of the year	0	9

55.17 Expenditure on Corporate Social Responsibility

Refer note 32 of Financial Statements for disclosure pertaining to corporate social responsibility expenses.

55.18 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to ₹ 0.02 crore (Previous year ₹ Nil)

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

Refer note 46 of Financial Statements for disclosure pertaining to restructuring.

55.20 COVID 19 Disclosures in terms of RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID 19 Regulatory Package

S.No.	Particulars	Amount (in ₹ crores) as at March 31, 2020
1.	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	15.02
2.	Respective amount where asset classification benefits is extended*	77.18
3.	General provision made**	0.75
4.	General provision adjusted during the period against slippages and the residual provisions	-

* This includes total assets on which moratorium benefit was granted including Stage 1.

* *The Company, being NBFC, has complied with Ind –AS and guidelines duly approved by the Board for recognition of the impairments. Refer Note 44. This general provision amount represents COVID 19 management overlay on overdue categories of assets, which is over and above the ECL provision.

All amounts are in ₹ crores unless otherwise stated

56 Transferred financial assets that are not derecognised in their entirety

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

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

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 16.

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
Carrying amount of transferred assets measured at amortised cost	309.64	59.57	45.06
Carrying amount of associated liabilities (Debt securities -measured at amortised cos	256.71	53.01	38.91

57 Changes in Liabilities arising from financing activities

Particulars	**April 1, 2019**	**Cash flows**	**Exchange difference**	**Other**	**March 31, 2020**
Debt securities	475.05	386.09	-	-	861.15
Borrowings (other than debt securities)	227.08	40.87	3.19	-	271.15
Borrowings under securitisation	53.01	203.70	-	-	256.71
Total	**755.15**	**630.67**	**3.19**	-	**1,389.01**

Particulars	**April 1, 2018**	**Cash flows**	**Exchange difference**	**Other**	**March 31, 2019**
Debt securities	230.47	244.58	-	-	475.05
than debt securities)	165.47	61.61	-	-	227.08
Borrowings under securitisation	38.91	14.10	-	-	53.01
Total	**434.85**	**320.29**	-	-	**755.15**

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

59 Previous year's figures are regrouped, reclassified and rearranged wherever necessary to confirm to current year's presentation.

For and on behalf of the board of Directors

SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2020.07.27 16:49:55 +05'30'	VIKRAM JETLEY Digitally signed by VIKRAM JETLEY Date: 2020.07.27 15:21:46 +05'30'	ASHISH SHARMA Digitally signed by ASHISH SHARMA Date: 2020.07.27 15:22:43 +05'30'	TRIPTI PANDEY Digitally signed by TRIPTI PANDEY Date: 2020.07.27 15:32:08 +05'30'
Sanjay Sharma	**Vikram Jetley**	**Ashish Sharma**	**Tripti Pandey**
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN: 03337545	DIN: 06530212		M. No. - 32760

Place : Gurugram

Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

To,
The Board of Directors
Aye Finance Private Limited
M-5, Magnum House-1, Mezzanine floor,
Community Centre Karampura,
Opposite Milan Cinema, New Delhi - 110015

Independent Auditor's Report on the Statement containing details relating to value of receivables/book debts charged against Listed Non- Convertible Debentures (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-1, 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 7, 2019 further read with addendum thereto dated January 6, 2020.

2. The accompanying Statement containing details of value of receivables/ book debts as at March 31, 2020 charged against Listed Non- Convertible Debentures has been prepared by the Company for submission to M/s Catalyst Trusteeship Limited, M/S Vistra ITCL (India) Limited and M/S Beacon Trusteeship Limited (hereinafter referred to as the "Debenture Trustees") as required in terms of clause 15(1)(t)(ii) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 dated December 29, 1993 as amended and subsequent amendments thereto ("Debenture Trustee Regulations") read with clause 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015) and subsequent amendments thereto, 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 books of account and other relevant records and documents maintained by the Company for the year ended March 31, 2020. 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.

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

6. The financial statements as at and for the year ended March 31, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated July 27, 2020. Our audit opinion also includes an emphasis of matter paragraph in respect of potential impact of the COVID-19 pandemic as detailed in note 44 of the financial statements. Our audit of these financial statements was 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 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 books of account and other relevant records and documents maintained by the Company for the year ended March 31, 2020.

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's Reg. No. 117366W/ W-100018)

Sameer Rohatgi
Partner
(Membership No. 094039)

Gurugram
September 4, 2020
UDIN No: 20094039AAAACA6347

Statement containing details relating to utilisation of funds from the Non-Convertible Debentures ("NCDS") issued during the year ended March 31, 2020

Sr. No	ISIN No.	Name of the Instrument	Issuance Date	Coupon Rate	Maturity Date	Issuance Size (in Crores)	Whether listed or unlisted
1	INE501X07125	Secured NCDs	26-06-2019	13.00% p.a. payable semi-annually	26-06-2025*	35	Listed
2	INE501X07133	Secured NCDs	05-08-2019	12.32% p.a. payable quarterly	05-08-2022	16	Unlisted
3	INE501X07133	Secured NCDs	05-08-2019	12.32% p.a. payable quarterly	05-08-2022	16	Unlisted
4	INE501X07141	Secured NCDs	25-10-2019	10.78% p.a. payable semi-annually	25-10-2023	125	Unlisted
5	INE501X07166	Secured NCDs	08-11-2019	12.50% p.a. payable semi-annually	08-11-2024	41.4	Unlisted
6	INE501X07174	Secured NCDs	29-11-2019	12.20% p.a. payable semi-annually	29-11-2022	107	Listed
7	INE501X07182**	Secured NCDs	31-03-2020	12.75% p.a. payable semi-annually	31-03-2023	58	Unlisted

*Date of put/ call option is June 30, 2022

**Due to COVID pandemic, The Company has not utilised the money raised through this NCD issuance till the date of this certificate.

We, hereby certify that the money received via issuance of above NCD's during the year ended March 31, 2020 has been used for expanding the loan portfolio of the Company (i.e the purpose for which they were raised). During the year, the proceeds have been temporary deployed in fixed deposits and investments pending application of proceeds.

For Aye Finance Private Limited

SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2020.09.10 14:30:48 +05'30'

Sanjay Sharma
Managing Director

ASHISH SHARMA Digitally signed by ASHISH SHARMA Date: 2020.09.10 11:57:34 +05'30'

Ashish Sharma
Chief Financial Officer

Deloitte Haskins & Sells LLP
Chartered Accountants

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

SL. 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.

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

Name of Debenture Trustee: Vistra ITCL (India) Limited	Name of the Debenture Trustee: Catalyst Trusteeship Ltd (Formerly GDA Trusteeship Limited)
Name of contact person: Mr. Amit Gurbani	Name of contact person: Mr. Sameer Trikha
Designation/Dept.: Regional Head – Corporate Trust (South)	Designation/Dept.: Vice President
Address: The IL&FS Financial Center, Plot No. C–22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Address: Office No. 83 – 87, 8th floor , 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021, Maharashtra
Tel. Nos.: 022-26593602	Tel. Nos.: 022-49220507
FAX Nos : N.A.	Fax Nos.: 022-49220505
Email addresses: amit.gurbani@vistra.com, mumbai@vistra.com	Email addresses: umesh.salvi@ctltrustee.com
Website: www.vistraitcl.com/	Website: www.catalysttrustee.com/

Name of Debenture Trustee: Beacon Trusteeship Limited	Name of the Debenture Trustee: IDBI Trusteeship Services Limited
Name of contact person: Mr. Vitthal Nawandhar	Name of contact person: Mr. Naresh A Sachwani/ Mr. Deepak Avasthi
Designation/Dept.: N.A.	Designation/Dept.: Vice President
Address: 4 C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East), Mumbai, Maharashtra – 400051, India	Address: Asian Building, Ground Floor, 17. R. Kamani Marg, Ballard Estate, Mumbai – 400001
Tel. Nos.: 022-26558759	Tel. Nos.: 022 40807000
FAX Nos : N.A.	Fax Nos.: 022-6631 1776
Email addresses: compliance@beacontrustee.co.in	Email addresses: naresh.sachwani@idbitrustee.com deepak.avasthi@idbitrustee.com
Website: www.beacontrustee.co.in/	Website: www.idbitrustee.com/

Registrar and Share Transfer Agent

Name: KFin Technologies Pvt Ltd (BP ID- IN200800)
Address : Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032,
Attention: 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 and Federal Bank.