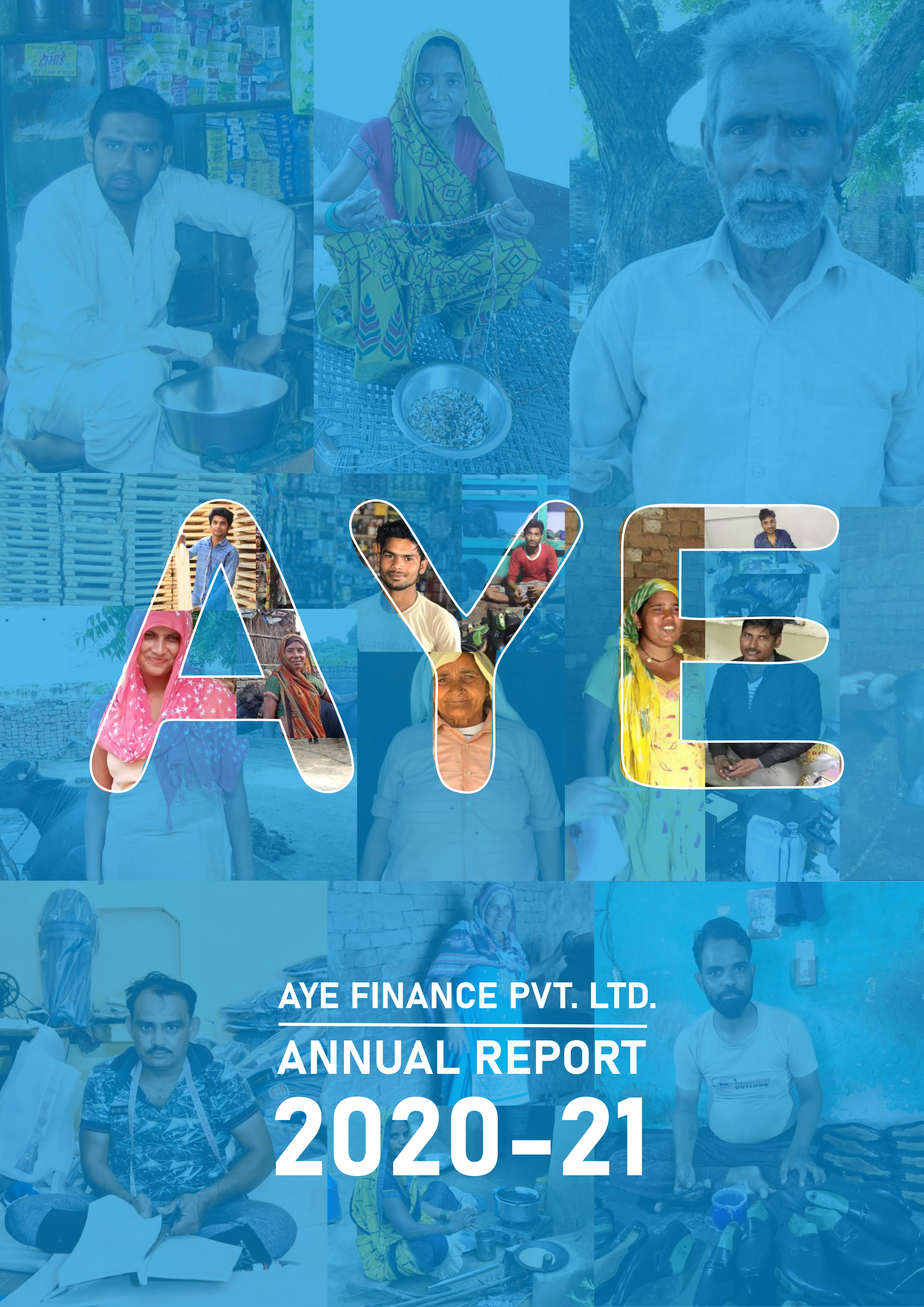

AYE FINANCE PVT. LTD.

ANNUAL REPORT 2020-21

Contents

DIRECTOR'S REPORT

Directors' Report

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

Your Directors have pleasure in presenting their 28th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2021.

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"). 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, 2021 is summarized below:

Amount in Rupees crores

Particulars	**31st March 2021**	**31st March 2020**
Revenue from operations	451.31	411.73
Other income	4.73	1.20
Total revenue	**456.04**	**412.93**
Expenses		
Employee benefit expenses	141.40	122.61
Finance costs	191.09	140.87
Impairment on Financial Assets	55.64	65.58
Depreciation and amortization expenses	9.29	7.88
Other expenses	30.26	36.00
Total expenses	**432.76**	**372.94**
Profit before tax	**23.28**	**39.99**
Tax Expenses	6.39	7.54
Profit after tax	**16.89**	**32.45**
Earnings per share		
Basic	**5.58**	**11.74**
Diluted	**5.51**	**11.59**

OPERATIONS, FUND RAISE, PROSPECTS AND FUTURE PLANS

Operational Highlights

The Net loan portfolio of the Company stood at Rs.1500.76 crores as on March 31, 2021.

Loan amount of Rs.668 crores was disbursed in FY 2020-21 representing a decrease of 33% as compared to FY 2019-20 due to COVID 19.

The Company has operations spread across 211 branches set up in 18 states/ union territories.

During the Financial Year under review, the Company saw a 47.89 % decrease in its profitability with a net profit after tax of Rs.16.89 crores as compared to Rs.32.45 crores for the year ended March 31, 2020. Total income has increased from Rs.412.93 crores for the year ended March 31, 2020 to Rs.456.04 crores for the year ended March 31, 2021, which is mainly due to increase in average gross loan portfolio of the Company. The Return on Average Loan Assets decreased to 1% in FY 2020-21 as compared to 2.3% in FY 2019-20. The cost of funds declined to 11.75% in FY 2020-21 as compared to 12.75% in FY 2019-20.

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

Fund raised during FY 2020-21 -

Resource mobilisation-

During the year under review, your company has continued to diversify the sources of funds and raised a sum of Rs. 385.39 crores by way of short-term loans, long-term loans, issue of Non-Convertible Debentures, External Commercial Borrowings which has helped the Company to achieve its' business target for FY 2020-21. Out of overall borrowings, Company has raised funds through issuance of Non-Convertible Debentures, has successfully completed four Non-Convertible Debentures issuance during FY 2020-21 raising Rs. 162.18 crores. The aggregate debt outstanding as on 31st March, 2021 was Rs. 1325.70 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, 2021, borrowings from banks were Rs. 166.75 crores as against Rs. 115.23 crores in the previous fnancial year.

Impact off Covid-19

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency.

The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company's operations and estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

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.

Customer – 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.

Employees – The Company has devised a holistic approach to navigate the proposed issues brought on by the coronavirus pandemic and subsequent lockdowns. This included reworking targets, and shifting focus from disbursement to collection - temporarily. This was done as part of an intent to adapt to new changes. The essence of this action plan was two pronged - developing a Business Continuity Plan, and referencing a Wellness Wheel, aimed at securing certain significant indications of fulfilment and safety that would in turn benefit business.

The Company has taken essential steps to ensure efficient work- place and moved meetings, training, etc. to virtual formats. The Company had proactively initiated the work from home as per the directions issued by the Government of India/ State Governments, at all its office locations in India.

All staff and employees have been briefed regarding safety measures to be followed. There are regular communications and awareness programs from the Culture & Talent Management Team to all the employees encouraging them to adopt safe practices and follow the prescribed circulars/ guidelines/ advisories of the government to contain the spread of COVID -19 via emails and other means of communications.

Liquidity –The Company has maintained sufficient liquidity Rs. 496.98 Crores as on March 31, 2021. The liquidity position of the Company is adequate for meeting its future debt obligations and business requirement for around 6 months.

Credit Quality – 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 20-21 an amount of Rs. 3.38 Crores has been transferred to such reserve. An amount of Rs. 3.53 Crores has been transferred to Share option outstanding account during FY 20-21.

DIVIDEND

During the year under review, the company has earned a Profit after Tax of Rs. 16.89 crores. However the Board of Directors do not recommend any dividend for FY 2020-21.

CAPITAL STRUCTURE

As on 31st March, 2021, authorized Capital of the Company was Rs. 34.60 Crores, Issued, Subscribed and fully Paid-up capital was Rs. 30.45 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, Regulatory Risk and Information Technology Risk. The Credit Risk management structure includes documented credit policies and procedures for each financial product. 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. The company has a strong field vigilance function that ensures checks and balances at the field level with respect to end use of loans, adherence to policies and sourcing practices. 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.

The Company has a Risk Committee which meets once every quarter to assess the risk appetite of the Company and to review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board.

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. Internal Audit department takes care of internal control processes. There is a risk based audit methodology covering all key functions of the company, planned based on various risk based parameters. 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, 2021 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, 2021.

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 Rs. 0.51 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 Private Limited 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 20-21, 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 2020-21.

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

AUDITORS & AUDITORS' REPORT

Statutory Auditors & their reports
M/s S. R. Batliboi & Associates LLP, Chartered Accountants having Firm Registration No. 101049W/E300004 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 from the conclusion of 27th Annual General Meeting of the Company till the conclusion of 32nd Annual General Meeting.

The Auditors' Reports for the financial year 2020-21 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.

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 2020-21 in its meeting dated June 25, 2021.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 remarks, 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 u/s 143 of the Companies Act, 2013 in their report. However during the year under review, two instances 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.	22/04/2020	6.	30/09/2020
2.	21/05/2020	7.	02/12/2020
3.	12/06/2020	8.	11/12/2020
4.	27/07/2020	9.	29/01/2021
5.	17/08/2020	10.	23/03/2021

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, 2021, 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/Change in designation	Director of the Company since (in case of resignation)	Remarks
Mr. Vikram Jetley	Director	06530212	19/04/2020	-	Change in Designation from Whole-time Director to Non-executive Director
Mr. Kaushik Anand Kalyana Krishnan	Director	07719742	09/10/2020	-	Appointment

Disclosure under Section 197 (12) of the Companies Act, 2013 is attached 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

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, Committee Chairman
	Mr. Navin Kumar Maini, Member
	Mr. Sanjay Sharma, Member
	Mr. Utsav Mitra, Falcon representative (Special Invitee)
	Mr. Ashish Garg, LGT representative (Special Invitee)
Risk Committee	Mr. Navin Kuma Maini, Committee Chairman
	Mr. Vinay Baijal, Member
	Mr. Sanjay Sharma, Member
	Mr. Vivek Mathur, Director (Special Invitee)
	Mr. Samir Mehta, Deputy CEO (Special Invitee)
	Mr. Utsav Mitra, Falcon representative (Special Invitee)
	Mr. Ujual George, Chief Risk Officer (Special Invitee)
Asset and Liabilities Committee (ALCO)	Mr. Sanjay Sharma, Committee Chairman
	Mr. Vikram Jetley, Director
	Mr. Vivek Mathur, Director
	Mr. Ashish Sharma, Chief Financial officer (resigned wef 16/04/2021)
	Mr. Sumiran Das, Director
	Mr. Navroz Darius Udwadia, Director
	Mr. Ujual George, Chief Risk Officer
	Mr. Samir , Deputy CEO
	Mr. Utsav Mitra, Falcon representative
Nomination and Remuneration Committee	Ms. Kanika Tandon Bhal, Committee Chairperson
	Mr. Navin Kumar Maini, Member
	Mr. Kartik Srivatsa, Member
	Mr. Kaushik Anand, Member
	Mr. Sanjay Sharma, Special Invitee
Corporate Social Responsibility Committee	Mr. Kanika Tandon Bhal, Committee Chairperson
	Mr. Sanjay Sharma, Member
	Mr. Kartik Srivatsa, Member
Working Committee of ALCO	Mr. Sanjay Sharma, Committee Chairman
	Mr. Samir Mehta, Deputy CEO
	Mr. Ashish Sharma, Chief Financial officer (resigned wef 16/04/2021)
	Mr. Ram Sachdeva, DVP Finance
	Mr. Shivam Arora, AVP Finance
Information Technology Steering Committee	Mr. Sanjay Sharma, Committee Chairman
	Mr. Samir Mehta, Deputy CEO
	Mr. Ujual George, Chief Risk Officer
	Mr. Ashish Sharma, Chief Financial officer (resigned wef 16/04/2021)
	Mr. Piyush Maheshwari, Vice President 2 Credit
	Mr. Vinod Kumar, Information security Manager
	Mr. Niraj Kaushik, Chief Credit Officer

	Mr. Gaurav Khurana-Chief Technology Officer
	Mr. Ravinder Oberoi-Head of Audit & Vigilance
	Mr. Ankur Sharma, Head HR
	Mr. Abhishek Sharma, Vice President Distribution
	Mr. Mayank Mathur- Head Operations and Service Quality
	Mr. Sukhwinder Singh-Head Collection
	Mr. Tejamoy Ghosh – Head DSAI
	Mr. Sovan Satyaprakash – Head Strategy
	Mr. Neeraj Sachdev – Head Administration
Information Technology Strategy Committee	Mr. Sanjay Sharma, Committee Chairman
	Mr. Samir Mehta, Deputy CEO
	Mr. Ujual George, Chief Risk Officer
	Mr. Ashish Sharma, Chief Financial officer (resigned wef 16/04/2021)
	Mr. Niraj Kaushik, Chief Credit Officer
	Mr. Gaurav Khurana-Chief Technology Officer
	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 41.18% as on March 31, 2021.

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 policy which looks after the 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, 2021 the company had 3856 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.

Your Company, being engaged in financing business within the Country, does not have any activity relating to conservation of energy. The Directors, therefore, have nothing to report on conservation of energy.

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

The initiatives by Data Science and Artificial Intelligence (DSAI) department are focusing on use cases to help data-driven decision-making using data-insights, AI/ML models, and intelligent automation of processes. In addition to a couple of initial projects including a machine learning model for 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.

Your Company, being engaged in financing business within the Country, does not have any activity relating to technology absorption and export of materials, goods or services. The Directors, therefore, have nothing to report on Technology absorption.

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
IIV MICROFINANZFONDS KAPSTADTRING HAMBURG GERMANY	4,237,500.00	EURO	50,000.00	Commitment Fee
IIV MICROFINANZFONDS KAPSTADTRING 8 HAMBURG GERMANY	2,166,500.00	EURO	25,000.00	Commitment Fee
IIV MICROFINANZFONDS KAPSTADTRING 8 HAMBURG GERMANY	47,030,222.88	EURO	204,197.50	Interest on ECB loan
IIV MICROFINANZFONDS KAPSTADTRING 8 HAMBURG GERMANY	23,847,741.78	EURO	96,332.22	Interest on ECB loan
RESPONSIBILITY FINANCIAL INCLUSION INVESTMENT 2019	19,525,109.59	USD	148,250.00	Interest on ECB loan
RESPONSIBILITY FINANCIAL INCLUSION INVESTMENT 2019	9,739,671.23	USD	148,250.00	Interest on ECB loan
AAV SARL	3,858,750.00	USD	53,106.94	Commitment Fee
MASALA INVESTMENT SARL	3,858,750.00	USD	53,106.94	Commitment Fee

There was no unhedged foreign currency exposure in the Company as on 31st March 2021.

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 23rd March, 2021 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 23, 2021 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/financial-statements/) 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 31st March, 2021, 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)	(Vikram Jetley)
Managing Director	Director
DIN: 03337545	DIN:06530212

Date: 24-09-2021
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 Lakhs.)

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-25,00,000
5.	Reserves & surplus	INR 7.02
6.	Total assets	INR 36.56
7.	Total Liabilities	INR 36.56
8.	Investments	NA
9.	Turnover	NA
10.	Surplus before taxation	INR 8.09
11.	Provision for taxation	INR 2.09
12.	Surplus after taxation	INR 5.99
13.	Proposed Dividend	NA
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**		
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			

4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

For Aye Finance Private Limited

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

Sd/-
Vikram Jetley
(Director)
Din: 06530212

Date: 24th September 2021

Annexure-B

The Annual Report on CSR Activities for F.Y.20-21

1. **A brief outline of the CSR policy of the company:**

   Aye plans to empower and enable the micro enterprises through non-financial guidance and support, so that they may build a modern and vibrant commercial community that can compete in the world and thereby create value for their customers, employees and owners. Aye's CSR activities will primarily focus on professionalizing micro enterprises and improving quality of lives through social development projects.

   Aye has incorporated 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.

   During the Financial Year 20-21 FAME ran the following programs for building the capabilities of the micro entrepreneur segment –

a. **Improving effectiveness of Dairy Farming in Rural and Semi – urban locations -** With the intent of supporting Dairy Farmers through credible healthcare advisory and consultancy on improving the productivity of their livestock, FAME launched its flagship program The Dairy Development Program in its first year of operations (2091-20) in Meerut and has been supporting the dairy farmers of the district since then. This year we strengthened the program expanding it to two more districts of Bharatpur and Mathura. In the first half of the year when containment measures were enforced and movement on the field was restricted, the advisory sessions were conducted digitally and in the second half of the year the sessions were moved back to the physical mode.

b. **Building marketing management and technical skills to enhance livelihood of unorganized micro businesses in small towns**

a. <u>Sports Manufacturers – Meerut -</u> Last year FAME had launched a program for the Sports Manufacturers of Meerut to provide guidance on optimal practices in manufacturing and marketing sports goods. The program delivered knowledge and skills around Improving quality of products, enhancing marketing capabilities and improving compliance levels & business documentation. This year the pandemic outbreak caused unprecedented damage to this segment of businesses. FAME handheld these businessmen through these trying times organizing online advisory sessions for them on COVID prevention at their workplaces and when they go out to the market. Help was also provided at an individual level to the members who needed guidance on compliances and market linkages

b. <u>Show Artisans – Agra</u> - This year FAME also launched a program for the shoe artisans of Agra in collaboration with Central Footwear Training Institute (CFTI) Agra, Ministry of MSME. FAME members were trained by the CFTI faculty on all the aspects of shoes manufacturing along with providing them exposure to the technical advancements in their industry. The members also received advisory on how to access various online marketing portals to increase their avenues of sales.

Additional Social Projects undertaken during the Year

This year when the pandemic hit it created unprecedented healthcare crises throughout the country and this battle was fought from the forefront by the corona warriors who did not have the luxury of staying at home and risked their lives to keep us safe. To express our solidarity and to honor and recognize the selfless acts and efforts of millions of these frontline and essential workers, FAME organized felicitation ceremonies across 160 cities. Over 1600 branch employees of Aye Finance under the Employee Volunteer Program participated in this activity and over 5000 doctors, healthcare workers, policemen, healthcare workers and municipal workers were felicitated.

2. **The Composition of the CSR Committee-**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Ms. Kanika Tandon Bhal	Independent Director	01	01
ii.	Mr. Sanjay Sharma	Managing Director	01	01
iii.	Mr. Kartik Srivatsa	Director	01	01

3. **Web-link of the Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**
   CSR Policy
   CSR Projects

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014-** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year-** Not Applicable

6. **Average net profit of the company for last three financial years-** INR 24.47 Crores

7. **(a) Two percent of average net profit of the company as per section 135(5)-** INR 0.49 Crores
   (b)Surplus arising out of the CSR projects or programs or activities of the previous financial years- N.A.
   (c) Amount required to be set off for the financial year, if any- N.A.
   (d) Total CSR obligation for the financial year: INR 0.49 Crores

8. **(a) CSR amount spent or unspent for the financial year** : INR 0.49 Crores

Total Amount Spent for the Financial Year. (in Crores.)	Amount Unspent (in Crores.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
INR 0.49 Crores	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project(State and District)**	**Duration**	**Amount allocated for the project (in Rs.)**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)**
i.	Improving effectiveness of Dairy Farming in Rural and Semi – urban locations	**Covered**	**Yes**	Meerut (Uttar Pradesh) Mathura (Uttar Pradesh) Bharatpur (Rajasthan)	**Ongoing**	25,00,000	22,41,029	
ii.	Building marketing management and technical skills to enhance livelihood	**Covered**		Meerut (Uttar Pradesh)	**Ongoing**	5,00,000	5,49,899	

	of unorganized micro businesses in small towns			Agra (Uttar Pradesh)				
iii.	**Additional Social Projects undertaken during the Year –** COVID Warrior Felicitation Program	**Covered**	**Yes**	All cities Aye has presence in	**Ongoing**	10,55,000	6,77,489	
	Total	**-**	**-**	**-**	**-**	**40,55,000**	**34,68,417**	
	(10)	**(11)**						
Sr. No.	**Mode of Implementation(Direct-Yes/No)**	**Mode of Implementation - Through Implementing Agency**						
		Name		**CSR Registration No.**				
	Yes	Foundation for Advancement of Micro Enterprises		In process				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project(State and District)**	**Amount spent for the project (in Rs.).**	**Mode of implementation- Direct (Yes/No)**	**Mode of implementation - Through implementing agency**
1	Donation to PM	**Covered**	**National**	**National**	5,00,000	**Yes**	**N.A.**

	Cares Fund						
2	Donation to Mera Gaon Mera Desh	**Covered**	**National**	**National**	3,00,000	**Yes**	**N.A.**
3	Kilkari	**Covered**	**National**	**National**	84,900	**Yes**	**N.A.**
	Total				**8,84,900**		

(d) Amount spent in Administrative overheads: Rs.. 84,907/-
(e) Amount spent on Impact Assessment, if applicable
(f) Total amount spent for the Financial Year: INR 48,55,000/-
(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: N.A.
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year: N.A.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

By Order of the Board

For Aye Finance Private Limited

Sd/-	**Sd/-**
Kanika Tandon Bhal **(Chairman of CSR Committee)** **DIN: 06944916**	**Sanjay Sharma** **(Director)** **DIN: 03337545**

Date: 24th September, 2021

Annexure-C

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED **31st March, 2021**

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

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

To,

The Members,

AYE Finance Private Limited

M-5,Magnum House-I,

Community Centre,

Karampura,

New Delhi-110015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and corporate practices adhered by Aye Finance Private Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided 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, authorised 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 2021 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 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Indirect Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations,2015;**(NotApplicable)**

(c) The Securities and Exchange Board of India (Issue of Capital andDisclosure Requirements) Regulations, 2018;**(Not Applicable, the company notissue)**

(d) The Securities and Exchange Board of India (Shares Based Employee Benefit Regulation), 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of DebtSecurities) 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 TransferAgents)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009; and **(Not Applicable as no reporting events duringperiod under review)**

(h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 2018; (**Not Applicable as no reporting events in the Company duringperiod under review)**

(i) Other regulation as applicable and (Circular and Guideline issuetherein)

(vi) the other lawsand regulations applicable on the company are mentioned below:

(a.) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b.) Specific requirement for NBFC under RBI Acts, Regulations, Directions, Notifications and amendments from time to time by RBI.

(c.) Specific provision of Labour Law

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries ofIndia 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;

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

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 the 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 were no dissenting views and all the resolutions were passed unanimously.)**).**

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 thatduring the audit period the company has issue of debentures through private placement, etc.

Place: Delhi **Brajesh Kumar & Associates**
Date: 21/09/2021 **Company Secretary**

UDIN: **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

Sr. No.	Particulars	Remarks
1.	The ratio of the remuneration* of each director to the median remuneration of the employees of the company for the financial year	**FY 2020-21:** Managing Director-60 Whole-time Director-NA
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 2019-20 to FY 2020-21:** Managing Director-41% Whole-time Director-NA Chief Financial officer-14% Company Secretary-0%
3.	Percentage increase in the median remuneration* of employees in the financial year;	8%
4.	The number of permanent employees on the rolls of company	3856 as on 31st March 2021
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 - 8% managerial personnel – 26% (Market aligned correction for managerial personnel)
6.	Affirmation that the remuneration* is as per the remuneration policy of the company	The Board has adopted a Nomination and Remuneration policy of the Company. 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;	Nil
	if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;	Nil
	if employed throughout the financial year or part thereof, was in receipt of remuneration in	Nil

	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.	

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

For and on Behalf of Aye Finance Private Limited

Sd/-

(Sanjay Sharma)
Managing Director
DIN: 03337545

Sd/-

(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, 2021, 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**

Date: 24th September 2021

AUDITED FINANCIALS

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

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, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, 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 ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 54 to the financial statements, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and estimates especially those relating to impairment of loans, which are dependent on future developments regarding the severity and duration of the pandemic.
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 for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the

S.R. BATLIBOI & ASSOCIATES LLP

financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loans as at the balance sheet date (expected credit losses) *(as described in note 2.18 of the standalone Ind AS financial statements)*	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans using the Expected Credit Losses ("ECL") approach. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b) Determining effect of less frequent past events on future probability of default. c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques; d) Determining macro-economic factors impacting credit quality of receivables; **Additional consideration on account of COVID-19** The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship. Pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 ("RBI Circulars") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020, ("the RBI Guidelines"). • Assessed the Company's policy with respect to moratorium pursuant to the RBI Circulars and tested the implementation of such policy on a sample basis. • Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis. • Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around extraction and validation of the input data used. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss

accordance with its Board approved policy. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship, pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions. The guidance by the Institute of Chartered Accountants of India ('ICAI'), provides extension of moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans as at the balance sheet date (including provision for expected credit losses) is a key audit matter.	indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days). • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the probability of default (PD) and loss given default (LGD) rates and compared the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) pursuant to RBI Guidelines. • Assessed the adequacy of disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109 including specific disclosures made in the financial statements with regards to the impact of CoVID-19 on ECL estimation.

Other Matter

The financial statements of the Company for the year ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on July 27, 2020.

Other Information

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

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

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

Responsibilities of Management and Those Charged with the Management 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 loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements 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 Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 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 with

S.R. BATLIBOI & ASSOCIATES LLP *

reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

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

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFW8546
Place of Signature: Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Aye Finance Private Limited ("the Company")

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties included in property, plant and equipment/fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us and audit procedures performed by 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. The provisions relating to sales tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

S.R. BATLIBOI & ASSOCIATES LLP

(vii)(c) According to the information and explanations given to us, there are no dues of employee's state insurance, goods and service tax, service tax and cess which have not been deposited on account of dispute. The provision relating to sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company. Details of dues of Income Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where pending	Period to which it relates	Amount (in Rs. Crores)
Income Tax Act, 1961*	Income Tax	CIT(A)	AY 2017-18	2.44

*The Company has paid Rs. 0.48 crores as demand against protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us , transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares / fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. BATLIBOI & ASSOCIATES LLP

(xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 21094533AAAAFW8546
Place: Gurugram
Date: June 25, 2021

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to these financial statements of Aye Finance Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements, including obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

S.R. BATLIBOI & ASSOCIATES LLP *

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to These Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN: 21094533AAAAFW8546
Place of Signature: Gurugram
Date: June 25, 2021

Aye Finance Private Limited
Balance Sheet as at March 31, 2021
All amounts are in Rs. crores unless otherwise stated

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	191.60	172.18
Bank balance other than cash and cash equivalents	4	167.17	56.68
Derivative financial instruments	5	-	3.28
Loans	6	1,500.76	1,716.82
Investments	7	198.17	6.88
Other financial assets	8	16.68	1.64
Non-Financial Assets			
Current tax assets (Net)	9	0.37	1.03
Deferred tax Assets (Net)	10	31.61	29.32
Property, plant and equipment	11	5.31	5.78
Right of use assets	49	20.37	11.53
Capital work-in-progress		0.01	1.21
Other intangible assets	12	1.56	0.49
Other non-financial assets	13	4.88	5.18
Total Assets		**2,138.49**	**2,012.02**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Debt securities	14	1,028.42	1,179.43
Borrowings (other than debt securities)	15	297.28	273.07
Lease liability	49	22.70	12.11
Derivative financial instruments	16	1.79	-
Other financial liabilities	17	5.81	6.22
Non-Financial Liabilities			
Provisions	18	22.93	17.76
Other non-financial liabilities	19	12.86	6.72
EQUITY			
Share Capital	20	30.45	27.04
Other Equity	21	716.25	489.67
Total Liabilities and Equity		**2,138.49**	**2,012.02**

Significant accounting policies	2
See accompanying notes forming part of these financial statements.	3-56

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of Directors

Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021

Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021

AYE FINANCE PVT. LTD.

Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
All amounts are in Rs. crores unless otherwise stated

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Revenue from operations			
Interest Income	22	438.58	392.22
Fees and commission income	23	8.13	9.26
Net gain on fair value changes	24	4.60	10.25
Total Revenue from operations (I)		**451.31**	**411.73**
Other Income (II)	25	4.73	1.20
Total Income (III)=(I+II)		**456.04**	**412.93**
Expenses			
Finance Costs	26	191.09	140.87
Net loss on fair value changes	27	5.08	-
Impairment on financial assets	28	55.64	65.58
Employee Benefits Expenses	29	141.40	122.61
Depreciation and amortization expense	30	9.29	7.88
Other expenses	31	30.26	36.00
Total Expenses (IV)		**432.76**	**372.94**
Profit before tax (V)=(III-IV)		23.28	39.99
Tax Expense: (VI)		**6.39**	**7.54**
(1) Current Tax		10.15	23.68
(2) Deferred Tax		(2.26)	(16.14)
(3) Tax for earlier years		(1.50)	0.00
Profit for the year (VII)=(V-VI)		**16.89**	**32.45**
Other Comprehensive Loss			
(i) Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		0.13	0.31
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.03)	(0.08)
Other Comprehensive Loss		0.10	0.23
Total Comprehensive Income for the year (Comprising Profit and other comprehensive loss for the year)		**16.79**	**32.22**
Earnings per equity share			
Basic (Rs.)	33	5.58	11.74
Diluted (Rs.)	33	5.51	11.59
Nominal value per share (Rs.)		10.00	10.00
Significant accounting policies	2		
See accompanying notes forming part of these financial statements.	3-56		

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors

Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021

Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

AYE FINANCE PVT. LTD.

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in Rs. crores unless otherwise stated

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	23.28	39.99
Adjustments for:		
Depreciation and amortization on property, plant and equipment and intangible assets	3.68	3.28
Depreciation on right of use assets	5.61	4.60
Unrealised gain on investments in mutual fund	(1.61)	(3.28)
Unrealised foreign exchange loss	(0.01)	3.19
Gain on sale of investments	(4.60)	(6.97)
Other comprehensive income/ (loss)	(0.10)	(0.23)
Change in the fair value of derivative	5.08	(3.28)
Interest on leases liability	1.81	1.57
(Profit)/Loss on sale of property, plant and equipment	-	0.01
Expense on employee stock option scheme	3.23	3.30
Expenses for gratuity	3.02	2.19
Impairment on financial assets	18.20	46.15
Loans and advances written off	37.44	19.43
Operating Profit/(Loss) before Working Capital changes	**95.03**	**109.95**
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(110.50)	(31.62)
(Increase)/ Decrease in loans	160.42	(764.15)
(Increase)/ Decrease in other financial assets	(13.43)	2.59
(Increase)/ Decrease in deferred tax assets (net)	(2.29)	(16.22)
(Increase)/ Decrease in other non-financial assets	0.31	1.05
Increase/ (Decrease) in other financial liabilities	(0.41)	1.78
Increase/ (Decrease) in other non-financial liabilities	6.14	2.10
Increase/ (Decrease) in lease liabilities	(5.67)	(5.70)
Increase/ (Decrease) in provisions	2.15	5.97
Cash Generated From/ (Used in) Operations	**131.75**	**(694.25)**
- Taxes (Paid) / Refunds (Net)	(5.75)	(13.25)
Net Cash Generated From/ (Used) in Operating Activities (A)	**126.00**	**(707.50)**

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in Rs. crores unless otherwise stated

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment and intangible assets	(3.08)	(6.64)
Proceeds from sale of assets	-	0.01
Purchase of investment at amortised cost	(514.97)	(1,171.00)
Proceeds from sale of investments	328.28	1,245.61
Net Cash Generated From / (Used) in Investing Activities (B)	**(189.77)**	**67.98**
Cash Flow From Financing Activities:		
Proceeds from debt securities	162.18	395.78
Proceeds from borrowings (other than debt securities)	320.42	534.59
Repayment of debt securities	(313.20)	231.70
Repayment of borrowings (other than debt securities)	(296.20)	(491.80)
Proceeds from issue of equity shares	210.00	-
Net Cash Generated from / (Used in) Financing Activities (C)	**83.20**	**670.27**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	19.42	30.75
Cash and Cash Equivalents at the Beginning of the Year	172.18	141.43
Cash and Cash Equivalents at the end of the year	**191.60**	**172.18**
Cash and Cash Equivalents at the end of the year comprises of		
Cash in hand	2.99	2.18
Balances with Banks in Current Accounts	67.97	119.93
Others	120.64	50.07
TOTAL	**191.60**	**172.18**

Note: The cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash flow statement".

See accompanying notes forming part of these financial statements.

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the board of Directors

Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021

Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021

AYE FINANCE PVT. L

Aye Finance Private Limited
Statement of Changes in Equity for the year ended March 31, 2021
All amounts are in Rs. crores unless otherwise stated

Equity Share Capital

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting year	2,70,42,854	27.04	2,70,42,854	27.04
Changes in equity share capital during the year	34,09,800	3.41	-	-
Balance at the end of the reporting year	3,04,52,654	30.45	2,70,42,854	27.04

Other Equity

	Reserves and Surplus				Total
	Statutory reserve under section 45IC of RBI Act	Securities Premium	Share option outstanding account	Retained Earnings	
Balance at the end of the reporting year 2019	**5.27**	**452.78**	**0.92**	**(4.82)**	**454.15**
Profit for the year	-	-	-	32.45	**32.45**
Transfer to/ from retained earnings	6.48	-	-	(6.48)	-
Comprehensive income for the year	-	-	-	(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**	**452.78**	**4.22**	**20.92**	**489.67**
Profit for the year	-	-	-	16.89	**16.89**
Transfer to/ from retained earnings	3.38	-	-	(3.38)	-
Comprehensive income for the year	-	-	-	(0.10)	**(0.10)**
Additional provision created	-	-	3.53	-	**3.53**
Utilisation of provision	-	-	(0.30)	-	**(0.30)**
Premium on issue of share capital	-	206.56	-	-	**206.56**
Balance at the end of the reporting year 2021	**15.13**	**659.34**	**7.45**	**34.33**	**716.25**

Significant accounting policies 2

See accompanying notes forming part of these financial statements. 3-56

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors

Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021

Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

AYE FINANCE PVT. LTD.

1. General information

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

The Company has issued debentures on a private placement basis and the said securities are listed with Bombay Stock Exchange (BSE) on Debt market segment.

2. 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.

2.2 Basis of Preparation:

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

2.3 Presentation of financial statements:

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

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the crores, except when otherwise indicated.

The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

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

S.R. BATLIBOI & ASSOCIATES LLP

AYE FINANCE PVT. LTD.

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. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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

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

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

(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.

(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. This includes cheque bouncing charges, late payment charges and prepayment charges etc. which are recorded as and when realised.

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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.

2.6 Foreign currency transactions:

The functional currency and presentation currency of the company is Indian Rupee.

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.

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

(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 and is measured in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws.
Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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(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.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(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.

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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.

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.

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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) Provisions

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

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

(ii) Contingent liabilities

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

(iii) Contingent assets

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.

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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.

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

2.16 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.

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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.

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

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

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

De-recognition of financial assets

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

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

(B) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

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

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Offsetting of financial instruments

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

Reclassification of financial assets and liabilities

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

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:

Stage 1

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

Stage 2

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

Stage 3

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

Definition of Default

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

Significant increase in credit risk

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

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(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.

Forward looking information

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

(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.

(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.

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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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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 cost includes 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.

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2.24 Fair Value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy which reflects the significance of inputs used in the measurement).
Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

2.25 Significant management judgements in applying accounting policies and estimation uncertainty

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

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

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

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

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

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

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

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

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

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

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.

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3 Cash and cash equivalents

Particulars		As at March 31, 2021	As at March 31, 2020
Cash on hand		2.99	2.18
Balances with banks			
- On current accounts		67.97	119.93
- Fixed deposits with original maturity of less than 3 months		120.64	50.07
	Total	191.60	172.18

Notes :

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

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

4 Bank balances other than Cash and cash equivalents

Fixed deposit with original maturity for more than 3 months		114.53	-
Balances in earmarked accounts			
- Balance held as security against borrowings		11.13	8.50
- Balance held as security against securitisation		41.51	48.18
	Total	167.17	56.68

Notes :

a. Fixed deposit and balances in earmarked accounts earn interest at fixed rates.

5 Derivative financial instruments

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 Rs. 162.72 crores (March 31, 2020 Rs. 34.50 crores)

6 Loans

Loans measured at amortised cost

Bills purchased and bills discounted	0.16	1.27
Revolving working capital	1.35	1.45
Term loans	1,586.07	1,783.86
Staff loan	2.71	1.57
Total - Gross	1,590.29	1,788.15
Less: Impairment loss allowance	89.53	71.33
Total - Net	1,500.76	1,716.82
(i) As per NBFC Directions		
(i) Others	1,590.29	1,788.15
(ii) To Related Parties		-
Total (A) Gross	1,590.29	1,788.15
Less: Impairment loss allowance	89.53	71.33
Total (A) Net	1,500.76	1,716.82
Based on security		
(i) Secured	233.72	-
(ii)Unsecured	1,356.57	1,788.15
Total (B)-Gross	1,590.29	1,788.15
Less: Impairment loss allowance	89.53	71.33
Total (B)-Net	1,500.76	1,716.82
Based on region		
(C) (I) Loans in India		
(i)Public Sector	-	-
(ii) Others	1,590.29	1,788.15
Total (C) (I) - Gross	1,590.29	1,788.15
Less: Impairment loss allowance	89.53	71.33
Total (C) (I) - Net	1,500.76	1,716.82
(C) (II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) (II) - Net	-	-
Total (C) (I) and (C) (II)	1,500.76	1,716.82

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7 Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investments measured at fair value through Profit or loss		
Mutual funds	190.85	-
Mutual Funds held as security in respect of borrowings	6.29	5.85
Investments carried at Fair value through Profit or loss	**197.14**	**5.85**
Investment in subsidiary at amortised cost (unquoted)		
249,999 equity shares of INR 10 in Foundation for advancement of Micro enterprises	0.25	0.25
Corporate Bonds held as security in respect of borrowings	0.78	0.78
Investments measured at amortised cost	**1.03**	**1.03**
Total - Gross (A)	**198.17**	**6.88**
(i) Investments outside India		
(ii) Investments in India	198.17	6.88
Total (B)	**198.17**	**6.88**
Less: Allowance for Impairment loss (C)	-	-
Total - Net D= (A)-(C)	**198.17**	**6.88**

8 Other financial assets

Receivable from Insurance company	0.68	-
Security Deposits	1.83	1.40
Recoverable from Government on Account of Ex-Gratia*	13.35	-
Other receivables	0.82	0.24
Total	**16.68**	**1.64**

*Represents sums recoverable under the scheme of Ministry of Finance, Department of Financial Services (DFS) vide letter Ref: FNo.2/12/2020-BOA.I dated October 23, 2020 relating to the Scheme of grant of ex-gratia payment of difference between compound interest and simple interest for six months (1.3.2020 to 31.8.2020).

9 Current Tax assets (Net)

Current tax assets (net)	0.37	1.03
Total	**0.37**	**1.03**

10 Deferred Tax assets (Net)

Deferred tax assets (net)	31.61	29.32
Total	**31.61**	**29.32**

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11 Property, plant and equipment

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1,2020	Additions	Deductions	As at March 31, 2021	As at April 1,2020	Depreciation expense for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Furniture and fixtures	2.21	0.01	-	2.22	0.69	0.39	-	1.08	1.14
Office equipment	1.27	0.33	-	1.60	0.67	0.31	-	0.98	0.62
Electrical Installations and Equipment	0.28	0.49	-	0.77	0.06	0.12	-	0.18	0.59
Computers	5.09	1.70	-	6.79	2.38	1.87	-	4.25	2.54
Vehicle	0.04	-	-	0.04	0.02	0.01	-	0.03	0.01
Leasehold Improvement	0.97	-	-	0.97	0.26	0.30	-	0.56	0.41
Total	**9.86**	**2.53**	**-**	**12.39**	**4.08**	**3.00**	**-**	**7.08**	**5.31**

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1,2019	Additions	Deductions	As at March 31, 2020	As at April 1,2019	Depreciation expense for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Furniture and fixtures	1.37	0.85	0.01	2.21	0.29	0.41	0.01	0.69	1.52
Office equipment	0.86	0.47	0.06	1.27	0.33	0.38	0.04	0.67	0.60
Electrical Installations and Equipment	0.16	0.13	0.01	0.28	0.02	0.05	0.01	0.06	0.22
Computers	1.85	3.24	-	5.09	0.84	1.54	-	2.38	2.71
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	**4.66**	**5.28**	**0.07**	**9.86**	**1.57**	**2.57**	**0.05**	**4.08**	**5.78**

12 Intangible assets

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 1,2020	Additions	Deductions	As at March 31, 2021	As at April 1,2020	Amortisation expense for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Computer Software	1.92	1.74	-	3.66	1.43	0.67	-	2.10	1.56
Total	**1.92**	**1.74**	**-**	**3.66**	**1.43**	**0.67**	**-**	**2.10**	**1.56**

Particulars	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 1,2019	Additions	Deductions	As at March 31, 2020	As at April 1,2019	Amortisation expense for the year	Deductions	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**

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13 Other Non Financial Assets

Particulars		As at March 31, 2021	As at March 31, 2020
TDS Recoverable		0.32	0.10
Goods and service tax receivable		1.85	2.75
Capital advance		0.02	0.05
Prepaid expenses		1.85	1.65
Advance to Suppliers		0.69	0.30
Employees Advances		0.15	0.33
	Total	4.88	5.18

14 Debt Securities

Particulars		As at March 31, 2021	As at March 31, 2020
Debt Securities measured at Amortised Cost			
Redeemable Non-Convertible Debentures			
- Secured		889.95	790.42
- Unsecured		55.49	98.99
Liabilities in respect of securitised transactions		82.98	290.02
	Total	1,028.42	1,179.43
Debt securities in India		1,028.42	1,179.43
Debt securities outside India		-	-
	Total	1,028.42	1,179.43

Notes
Refer Note 14 (i) for the repayment details along with rate of interest and security details

15 Borrowings (Other than Debt Securities)

Particulars		As at March 31, 2021	As at March 31, 2020
Borrowings measured at Amortised Cost			
Secured			
Term loans			
(i) from banks		95.38	103.62
(ii) from other financial institutions		23.00	117.00
(iii) external commercial borrowings		167.53	38.04
Loans repayable on demand*			
(i) from banks		11.37	11.61
(ii) from other financial institutions		-	2.80
Other loans (cash credit and overdraft from banks)- Total		297.28	273.07
Borrowings in India		129.75	235.03
Borrowings outside India		167.53	38.04
	Total	297.28	273.07

Notes
* Secured by hypothecation of Loan Receivables (current and future) / current assets/ cash and cash equivalents of the Company.
Refer Note 15 (i) for the repayment details along with rate of interest and security details

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14. 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, 2021		As at March 31, 2020	
				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	13.698%	18-May-22	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	13.539%	17-Jun-22	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	13.539%	31-Jul-22	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	-
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	13.100%	30-Oct-20	-	-	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	11.635%	28-Mar-23	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	12.100%	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	12.534%	31-Oct-24	72.00	-	72.00	-
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 120% of the principal loan amount and investment in corporate bonds upto INR 80 lakhs.	12.250%	29-May-20	-	-	2.61	-
			29-Aug-20	-	-	2.69	-
			29-Nov-20	-	-	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	13.500%	24-Dec-25	70.00	-	70.00	-

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14. Debt Securities (con't)

Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 1	No Security	12.190%	16-Feb-21	-	-	-	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
Unsecured Rated listed Redeemable Transferable Non-Convertible Debentures having a Face Value of Rs. 10	No Security	12.143%	06-Mar-24	-	20.00	-	20.00
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	13.000%	26-Jun-21	-	8.75	-	8.75
			26-Jun-25	-	26.25		
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	12.320%	06-Aug-20	-	-	10.67	-
			05-Aug-21	5.33	-	5.33	-
			07-Feb-22	5.33	-	5.33	-
			05-Aug-22	5.33	-	5.33	-
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	12.500%	08-Nov-22	41.40	-	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	12.900%	29-Nov-22	107.00	-	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	10.780%	25-Oct-21	31.25	-	31.25	-
			25-Oct-23	93.75	-	93.75	-
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	-	58.00	-

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14. Debt Securities (con't)

Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 110% of aggregate principal outstanding. Security creation and Perfection required as per laws and regulations.	13.500%	30-Apr-21	0.69	-	-	-
			31-May-21	0.69	-	-	-
			30-Jun-21	0.69	-	-	-
			31-Jul-21	0.69	-	-	-
			31-Aug-21	0.69	-	-	-
			30-Sep-21	0.69	-	-	-
			31-Oct-21	0.69	-	-	-
			30-Nov-21	0.69	-	-	-
			31-Dec-21	0.69	-	-	-
			31-Jan-22	0.69	-	-	-
			28-Feb-22	0.69	-	-	-
			31-Mar-22	0.69	-	-	-
			30-Apr-22	0.69	-	-	-
			31-May-22	0.69	-	-	-
			30-Jun-22	0.69	-	-	-
			31-Jul-22	0.69	-	-	-
			31-Aug-22	0.69	-	-	-
			30-Sep-22	0.69	-	-	-
			31-Oct-22	0.69	-	-	-
			30-Nov-22	0.69	-	-	-
			31-Dec-22	0.69	-	-	-
			31-Jan-23	0.69	-	-	-
			28-Feb-23	0.69	-	-	-
			31-Mar-23	0.69	-	-	-
			30-Apr-23	0.69	-	-	-
			22-May-23	0.69	-	-	-
Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 125% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	10.100%	11-Feb-22	50.00	-	-	-
Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.10,00,000/- each fully paid up.	Hypothecation of book debts/receivables maintained at all times at 1.10 times of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.	10.000%	19-Feb-22	10.00	-	-	-
Senior, Secured, Rated, Listed, Redeemable transferable Non-Convertible Debentures issued on private placement basis of Rs.1,000/- each fully paid up.	Hypothecation of fixed deposits created out of the proceeds of the issue of the NCD by way of floating charge and hypothecation of loans (and/or other assets) in the form of a fixed charge, whereas the cumulative amount of all assets subject to the Floating Charge and the Initial Fixed Charge shall be, at any time, not less than 100% of the outstanding amounts under the NCD.	10.700%	16-May-22	77.17	-	-	-
			13-May-24	0.01	-	-	-

*The amounts mentioned above represents only principal outstanding on all types of borrowings

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15. 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, 2021		As at March 31, 2020	
				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-20	-	-	0.45	-
			1-Jun-20	-	-	0.46	-
			30-Jun-20	-	-	0.46	-
			1-Aug-20	-	-	0.47	-
			1-Sep-20	-	-	0.47	-
			29-Sep-20	-	-	0.47	-
			1-Nov-20	-	-	0.48	-
			1-Dec-20	-	-	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-20	-	-	0.62	-
			31-May-20	-	-	0.63	-
			30-Jun-20	-	-	0.63	-
			31-Jul-20	-	-	0.64	-
			31-Aug-20	-	-	0.65	-
			30-Sep-20	-	-	0.65	-
			14-Oct-20	-	-	12.95	-
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	11.80%	15-May-20	-	-	2.51	-
			15-Jun-20	-	-	1.25	-
			15-Jul-20	-	-	1.25	-
			15-Aug-20	-	-	1.25	-
			15-Nov-20	-	-	1.25	-
			15-Feb-21	-	-	1.25	-
			15-May-21	1.25	-	1.24	-
			15-Aug-21	1.25	-	1.25	-
			15-Nov-21	1.25	-	1.25	-
			15-Feb-22	1.24	-	1.24	-
						-	-
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%	29-May-20	-	-	0.41	-
			28-Jun-20	-	-	0.45	-
			29-Jul-20	-	-	0.46	-
			29-Aug-20	-	-	0.46	-
			28-Sep-20	-	-	0.46	-
			29-Oct-20	-	-	2.42	-
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%	21-Apr-20	-	-	0.46	-
			21-May-20	-	-	0.47	-
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-20	-	-	0.91	-
			1-May-20	-	-	0.91	-
			1-Jun-20	-	-	0.91	-
			1-Jul-20	-	-	0.91	-
			1-Aug-20	-	-	0.91	-
			1-Sep-20	-	-	0.91	-
			1-Oct-20	-	-	1.76	-
			1-Nov-20	-	-	0.86	-
			1-Jan-21	-	-	0.91	-
			1-Feb-21	-	-	0.91	-
			1-Mar-21	-	-	0.91	-
			1-Apr-21	1.15	-	1.15	-

S.R. BATLIBOI & ASSOCIATES LLP

AYE FINANCE PVT. LTD.

Aye Finance Private Limited
Notes forming part of the financial statements
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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-20	-	-	1.25	-
			1-Jul-20	-	-	1.25	-
			1-Oct-20	-	-	1.25	-
			1-Jan-21	-	-	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.	11.39%	5-Apr-20	-	-	0.63	-
			5-Jun-20	-	-	0.63	-
			5-Jul-20	-	-	1.25	-
			5-Aug-20	-	-	0.63	-
			5-Sep-20	-	-	0.63	-
			5-Oct-20	-	-	0.63	-
			5-Nov-20	-	-	0.63	-
			5-Dec-20	-	-	0.63	-
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.	11.25%	3-Apr-20	-	-	1.25	-
			3-Jun-20	-	-	1.25	-
			3-Jul-20	-	-	2.50	-
			3-Aug-20	-	-	1.25	-
			3-Sep-20	-	-	1.25	-
			3-Oct-20	-	-	1.25	-
			3-Nov-20	-	-	1.25	-
			3-Dec-20	-	-	1.25	-
			3-Jan-21	-	-	1.25	-
			3-Feb-21	-	-	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-Apr-20	-	-	0.71	-
			3-May-20	-	-	0.72	-
			3-Jun-20	-	-	0.73	-
			3-Jul-20	-	-	0.74	-
			3-Aug-20	-	-	0.74	-
			3-Sep-20	-	-	0.75	-
			3-Oct-20	-	-	0.76	-
			3-Nov-20	-	-	0.77	-
			3-Dec-20	-	-	0.78	-
			3-Jan-21	-	-	0.79	-
			3-Feb-21	-	-	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-20	-	-	1.25	-
			15-Jul-20	-	-	1.25	-
			15-Oct-20	-	-	1.25	-
			20-Oct-20	-	-	6.25	-
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.	10.90%	14-Apr-20	-	-	0.45	-
			14-May-20	-	-	0.45	-
			14-Jun-20	-	-	0.45	-
			14-Jul-20	-	-	0.45	-
			14-Aug-20	-	-	0.45	-
			14-Sep-20	-	-	0.45	-
			14-Oct-20	-	-	0.45	-
			14-Nov-20	-	-	0.45	-
			14-Dec-20	-	-	0.45	-
			14-Jan-21	-	-	0.45	-
			14-Feb-21	-	-	0.45	-
			14-Mar-21	-	-	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	-

All amounts are in Rs. crores unless otherwise stated

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.		31-Jul-20	-	-	5.00	-
			21-Sep-21	5.00	-	-	-
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-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	-
			15-Apr-21	0.53	-	0.53	-
			15-May-21	0.54	-	0.54	-
			15-Jun-21	0.54	-	0.54	-
			15-Jul-21	0.55	-	0.55	-
			15-Aug-21	0.55	-	0.55	-
			15-Sep-21	0.56	-	0.56	-
			15-Oct-21	0.56	-	0.56	-
			15-Nov-21	0.63	-	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.	11.34%	3-Apr-20	-	-	0.63	-
			3-Jun-20	-	-	0.63	-
			3-Jul-20	-	-	1.25	-
			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	-	0.63	-
			3-May-21	0.63	-	0.63	-
			3-Jun-21	0.63	-	0.63	-
			3-Jul-21	0.63	-	0.63	-
			3-Aug-21	0.63	-	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.	9.85%	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	-	1.04	-
			31-May-21	1.04	-	1.04	-
			30-Jun-21	1.04	-	1.04	-
			31-Jul-21	1.04	-	1.04	-
			31-Aug-21	1.04	-	1.04	-
			30-Sep-21	1.04	-	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-Aug-22	34.50	-	34.50	-

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AYE FINANCE PVT. LTD.

Aye Finance Private Limited
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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%	30-Jun-20	-	-	1.67	-
			30-Sep-20	-	-	1.67	-
			31-Dec-20	-	-	1.67	-
			11-Jan-21	-	-	13.33	-
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%	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	-	0.30	-
			31-May-21	0.30	-	0.30	-
			30-Jun-21	0.30	-	0.30	-
			31-Jul-21	0.30	-	0.30	-
			31-Aug-21	0.30	-	0.30	-
			30-Sep-21	0.30	-	0.30	-
			31-Oct-21	0.30	-	0.30	-
			30-Nov-21	0.30	-	0.30	-
			31-Dec-21	0.30	-	0.30	-
			31-Jan-22	0.30	-	0.30	-
			28-Feb-22	0.30	-	0.30	-
			31-Mar-22	0.30	-	0.30	-
			30-Apr-22	0.30	-	0.30	-
			31-May-22	0.30	-	0.30	-
			30-Jun-22	0.30	-	0.30	-
			31-Jul-22	0.30	-	0.30	-
			31-Aug-22	0.30	-	0.30	-
			30-Sep-22	0.30	-	0.30	-
			31-Oct-22	0.30	-	0.30	-
			30-Nov-22	0.30	-	0.30	-
			31-Dec-22	0.40	-	0.40	-
NORTHERN ARC CAPITAL LIMITED-LOAN 10	NA	12.65%	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
			26-Mar-21	-	-	-	13.36
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-Apr-20	-	-	0.73	-
			18-Jun-20	-	-	0.73	-
			18-Jul-20	-	-	1.46	-
			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	-	0.73	-
			18-May-21	0.73	-	0.73	-
			18-Jun-21	0.73	-	0.73	-
			18-Jul-21	0.73	-	0.73	-
			18-Aug-21	0.73	-	0.73	-
			18-Sep-21	0.73	-	0.73	-
			18-Oct-21	0.73	-	0.73	-
			18-Nov-21	0.73	-	0.73	-
			18-Dec-21	0.73	-	0.73	-
			18-Jan-22	0.73	-	0.73	-
			18-Feb-22	0.73	-	0.73	-
			18-Mar-22	0.73	-	0.73	-

Aye Finance Private Limited
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Hiranandani Financial Services	First rank exclusive and continuing charge by way of Hypothecation borrowers present and future book debt created out of Hiranandani Financial Services Limited Term loan from time to time so as to maintain minimum asset cover of 1.1x times on principal outstanding.	13.00%	4-Apr-21	0.40	-	-	-
			4-May-21	0.40	-	-	-
			4-Jun-21	0.41	-	-	-
			4-Jul-21	0.41	-	-	-
			4-Aug-21	0.42	-	-	-
			4-Sep-21	0.42	-	-	-
			4-Oct-21	0.43	-	-	-
			4-Nov-21	0.43	-	-	-
			4-Dec-21	0.44	-	-	-
			4-Jan-22	0.44	-	-	-
			4-Feb-22	0.45	-	-	-
			4-Mar-22	0.45	-	-	-
			4-Apr-22	0.46	-	-	-
			4-May-22	0.46	-	-	-
			4-Jun-22	0.47	-	-	-
			4-Jul-22	0.47	-	-	-
SIDBI	Exclusive First Charge by way of Hypothecation and Book Debts and receivables of the loans provided by the Borrower to MSMEs which are standard assets in the Books of the Borrower as per extant RBI Guidelines with minimum asset cover of 1.10 times.	6.85%	10-Apr-21	2.90	-	-	-
Invest in Vision ECB-Tranche 2	Hypothecation of book debts/receivables maintained at all times at 60% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations	11.10%	29-Sep-23	43.33	-	-	-
Invest in Vision ECB-Tranche 1	Hypothecation of book debts/receivables maintained at all times at 60% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations	11.05%	29-Jun-23	84.89	-	-	-
HDFC Term Loan -2	Exclusive Charge 1.3x cover on book debts of minimum regular repayment of 4 months. Overdue interest accrued, interest not to be considered	9.50%	30-Apr-21	0.69	-	-	-
			31-May-21	0.69	-	-	-
			30-Jun-21	0.69	-	-	-
			31-Jul-21	0.69	-	-	-
			31-Aug-21	0.69	-	-	-
			30-Sep-21	0.69	-	-	-
			31-Oct-21	0.69	-	-	-
			30-Nov-21	0.69	-	-	-
			31-Dec-21	0.69	-	-	-
			31-Jan-22	0.69	-	-	-
			28-Feb-22	0.69	-	-	-
			31-Mar-22	0.69	-	-	-
			30-Apr-22	0.69	-	-	-
			31-May-22	0.69	-	-	-
			30-Jun-22	0.69	-	-	-
			31-Jul-22	0.69	-	-	-
			31-Aug-22	0.69	-	-	-
			30-Sep-22	0.69	-	-	-
			31-Oct-22	0.69	-	-	-
			30-Nov-22	0.69	-	-	-
			31-Dec-22	0.69	-	-	-
			31-Jan-23	0.69	-	-	-
			28-Feb-23	0.69	-	-	-
			31-Mar-23	0.69	-	-	-
			30-Apr-23	0.69	-	-	-
			31-May-23	0.69	-	-	-
			30-Jun-23	0.69	-	-	-
			31-Jul-23	0.69	-	-	-
			31-Aug-23	0.69	-	-	-
			30-Sep-23	0.69	-	-	-

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Aye Finance Private Limited
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Federal Bank TL-2	Exclusive Charge on specific receivables created out of term loan with a cover of 1.10 times.	9.10%	11-Apr-21	0.55	-	-	-
			11-May-21	0.55	-	-	-
			11-Jun-21	0.55	-	-	-
			11-Jul-21	0.55	-	-	-
			11-Aug-21	0.55	-	-	-
			11-Sep-21	0.55	-	-	-
			11-Oct-21	0.55	-	-	-
			11-Nov-21	0.55	-	-	-
			11-Dec-21	0.55	-	-	-
			11-Jan-22	0.55	-	-	-
			11-Feb-22	0.55	-	-	-
			11-Mar-22	0.55	-	-	-
			11-Apr-22	0.55	-	-	-
			11-May-22	0.55	-	-	-
			11-Jun-22	0.55	-	-	-
			11-Jul-22	0.55	-	-	-
			11-Aug-22	0.55	-	-	-
			11-Sep-22	0.55	-	-	-
			11-Oct-22	0.55	-	-	-
			11-Nov-22	0.55	-	-	-
			11-Dec-22	0.55	-	-	-
			11-Jan-23	0.55	-	-	-
			11-Feb-23	0.55	-	-	-
			11-Mar-23	0.55	-	-	-
			11-Apr-23	0.55	-	-	-
			11-May-23	0.55	-	-	-
			11-Jun-23	0.55	-	-	-
			11-Jul-23	0.55	-	-	-
			11-Aug-23	0.55	-	-	-
			11-Sep-23	0.55	-	-	-
			11-Oct-23	0.55	-	-	-
			11-Nov-23	0.55	-	-	-
			11-Dec-23	0.55	-	-	-
			11-Jan-24	0.55	-	-	-
			11-Feb-24	0.75	-	-	-
CSB Bank Term Loan	Exclusive charge by way of hypothecation of standard loan receivables of the Company (both present and future) created out of loan available from our bank with an asset cover of 1.10x on receivables.	9.10%	30-Apr-21	0.56	-	-	-
			31-May-21	0.56	-	-	-
			30-Jun-21	0.56	-	-	-
			31-Jul-21	0.56	-	-	-
			31-Aug-21	0.56	-	-	-
			30-Sep-21	0.56	-	-	-
			31-Oct-21	0.56	-	-	-
			30-Nov-21	0.56	-	-	-
			31-Dec-21	0.56	-	-	-
			31-Jan-22	0.56	-	-	-
			28-Feb-22	0.56	-	-	-
			31-Mar-22	0.56	-	-	-
			30-Apr-22	0.56	-	-	-
			31-May-22	0.56	-	-	-
			30-Jun-22	0.56	-	-	-
			31-Jul-22	0.56	-	-	-
			31-Aug-22	0.56	-	-	-
			30-Sep-22	0.56	-	-	-
			31-Oct-22	0.56	-	-	-
			30-Nov-22	0.56	-	-	-
			31-Dec-22	0.56	-	-	-
			31-Jan-23	0.56	-	-	-
			28-Feb-23	0.56	-	-	-
			31-Mar-23	0.56	-	-	-
			30-Apr-23	0.56	-	-	-
			31-May-23	0.56	-	-	-
			30-Jun-23	0.56	-	-	-
			31-Jul-23	0.56	-	-	-
			31-Aug-23	0.56	-	-	-
			30-Sep-23	0.56	-	-	-
			31-Oct-23	0.56	-	-	-
			30-Nov-23	0.56	-	-	-
			31-Dec-23	0.56	-	-	-
			31-Jan-24	0.56	-	-	-
			28-Feb-24	0.56	-	-	-
			31-Mar-24	0.56	-	-	-

*The amounts mentioned above represents only principal outstanding on all types of borrowings

16 Derivative financial instruments

Particulars		As at March 31, 2021	As at March 31, 2020
Carried at fair value			
Cross Currency swap rate contract not designated in hedge accounting relationship		1.79	-
	Total	1.79	-

Notional value of derivative financial instrument is Rs. 162.72 crores (March 31, 2020 Rs. 34.50 crores)

17 Other financial liabilities

At amortised cost			
Expenses payable		5.39	5.84
Employee benefit payable		0.42	0.38
	Total	5.81	6.22

18 Provisions

Provision for employee benefits			
Provision for gratuity		7.45	4.49
Provision for compensated absences		5.31	3.12
Provision for bonus		10.17	10.15
	Total	22.93	17.76

19 Other non-financial liabilities

Particulars			
Statutory dues payable		4.06	3.83
Payables on purchase of property, plant and equipment		0.37	0.82
Pre EMI interest received in advance		0.69	0.44
EMI and interest received in advance from customers		7.74	1.63
	Total	12.86	6.72

20 Share capital

Authorised capital			
5,500,000 (March 31, 2020: 5,000,000 Shares) Equity shares of Rs. 10 each with voting rights		5.50	5.00
29,100,000 (March 31, 2020: 23,000,000 Shares) Compulsorily Convertible Cumulative Preference shares (CCPS) of Rs. 10 each		29.10	23.00
	Total	34.60	28.00
Issued, Subscribed and fully paid up			
4,830,500 (March 31, 2020: 4,830,500 Shares) Equity shares of Rs. 10 each with voting rights		4.83	4.83
Less: amount recoverable from ESOP Trust (face value of 560,294 shares of Rs. 10 each held by trust) (March 31, 2020: 560,294) [Refer Note 38]		(0.56)	(0.56)
26,182,448 Shares (March 31, 2020: 22,772,648 Shares) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each		26.18	22.77
	Total	30.45	27.04

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20 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 March 31, 2020			
Equity shares with voting rights			
No.of shares	48,30,500	-	48,30,500
Amount	4.83	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)			
No.of shares	2,27,72,648	-	2,27,72,648
Amount	22.77	-	22.77
As at March 31, 2021			
Equity shares with voting rights			
No.of shares	48,30,500	-	48,30,500
Amount	4.83	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)			
No.of shares	2,27,72,648	34,09,800	2,61,82,448
Amount	22.77	3.41	26.18

(ii) Rights, Preferences and Restrictions attached to shares:

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

(iii) As on March 31, 2021, the Company has 2,068,764 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 19.00 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 March 31, 2021, the Company has 880,718 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 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 March 31, 2021, the Company has 1,335,756 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 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 March 31, 2021, the Company has 719,252 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 58.13 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.

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20 Share capital (cont'd)

(vii) As on March 31, 2021, the Company has 6,556,360 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 96.76 per share. These shares have been allotted between SAIF Partners India V Limited and Accion Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP. The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series B Shareholders Agreement dated 13th October, 2016 executed by the Company with SAIF Partners India V Limited and Accion Africa - Asia Investment Company and LGT Capital Invest Mauritius PCC with Cell E/VP.

(viii) As on March 31, 2021, the Company has 5,736,709 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 246.24 per share. These shares have been allotted between SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP . The Preference Shares shall be convertible into equity Shares of the Company in accordance with the Schedule 7 of the Series B Shareholders Agreement dated May 24, 2018 executed by the Company with SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with Cell E/VP and CapitalG LP.

(ix) As on March 31, 2021, the Company has 54,75,089 0.01% CCPS of Rs. 10 each and 100 equity shares of Rs. 10 each fully paid up at premium of Rs. 416.70 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, 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) As on July 15, 2020 the Company issued 34,09,800 0.01% CCPS of Rs. 10 each fully paid up at premium of Rs. 605.87 per share. These shares have been allotted between LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG International LLC, Falcon Edge India I LP, A91 Emerging Fund I LLP 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 E Shareholders Agreement dated June 08, 2020 executed by the Company with SAIF Partners India V Limited,A91 Emerging Fund I LLP, LGT Capital Invest Mauritius PCC with Cell E/VP, CapitalG LP, CapitalG International LLC, Falcon Edge India I LP and MAJ Invest Financial Inclusion Fund II K/S.

(xi) The holders of the Series A, Series A1 CCPS, Series B CCPS, Series C CCPS, Series D CCPS and Series E 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.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	%	Number of shares held	%
Equity shares with voting rights				
Sanjay Sharma	9,54,750	19.77%	9,54,750	19.77%
Shankh Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Shvet Corporation LLP	8,49,625	17.59%	8,49,625	17.59%
Vikram Jetley	6,31,000	13.06%	6,31,000	13.06%
Aye Finance Employee Welfare Trust	5,60,294	11.60%	5,60,294	11.60%
Namrata Sharma	2,61,965	5.42%	2,61,965	5.42%
0.01% Compulsorily Convertible Cumulative Preference shares				
SAIF Partners India V Limited	61,59,852	23.53%	61,59,852	27.05%
LGT Capital Invest Mauritius PCC with Cell E/VP	53,90,925	20.59%	44,77,586	19.66%
CapitalG LP	39,37,237	15.04%	39,37,237	17.29%
MAJ Invest Financial Inclusion Fund II K/S	22,04,985	8.42%	18,39,649	8.08%
Falcon Edge India I LP	41,31,987	15.78%	36,44,873	16.01%
A91 Emerging Fund I LLP	32,00,565	12.22%	27,13,451	11.92%

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21 Other equity

Particulars		As at March 31, 2021	As at March 31, 2020
Securities Premium Account			
Opening balance		452.78	452.78
Add: Premium on shares issued during the period		206.56	-
Closing balance	Total	659.34	452.78
Share option outstanding account			
Opening balance		4.22	0.92
Add: Deferred stock compensation expense		3.53	3.60
Less: Utilisation of deferred stock compensation expense		(0.30)	(0.30)
Closing balance	Total	7.45	4.22
Statutory reserve under section 45IC of RBI Act			
Opening balance		11.75	5.27
Add : Additions during the year		3.38	6.48
Closing balance	Total	15.13	11.75
Retained earnings			
Opening balance		20.92	(4.82)
Add: Profit for the year		16.89	32.45
Less: Transfer to special reserves under section 45IC of RBI Act		(3.38)	(6.48)
Less: Dividend on Compulsorily Convertible Cumulative Preference Shares		(0.00)	(0.00)
Add : Comprehensive income for the year		(0.10)	(0.23)
Closing balance	Total	34.33	20.92
	Grand Total	716.25	489.67

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.

Retained earnings

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

22 Interest Income

On Financial Assets measured at amortised cost			
Interest on loans to customers		423.22	387.71
Interest on Deposits with banks		15.36	4.51
	Total	438.58	392.22

23 Fees and commission income

Servicing Fee		0.08	0.42
Delay payment charges , registration charges, cheque dishonour charges etc.		8.05	8.84
	Total	8.13	9.26

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	Particulars		As at March 31, 2021	As at March 31, 2020
24	**Net gain on financial instruments measured at fair value through profit or loss account**			
	On trading portfolio			
	Investments			
	- Gain on sale of mutual funds		4.60	6.97
	Others			
	- Derivatives (cross currency swap)		-	3.28
	Total		4.60	10.25
	-Realised		2.99	6.97
	-Unrealised		1.61	3.28
	Total		4.60	10.25
25	**Other income**			
	Miscellaneous Income		4.73	1.20
		Total	4.73	1.20
26	**Finance Costs**			
	On Financial liabilities measured at Amortised Cost			
	Interest on term loans from banks and financial institutions		32.66	27.51
	Interest on debt securities		149.41	103.00
	Interest on delayed payment of statutory dues		0.02	0.41
	Interest on lease liabilities		1.81	1.57
	Other borrowing cost		7.20	5.19
	Loss on currency fluctuation		(0.01)	3.19
		Total	191.09	140.87
27	**Net loss on fair value changes**			
	Others (Unrealised)			
	- Derivatives (cross currency swap)		5.08	-
		Total	5.08	-
28	**Impairment on financial assets**			
	Impairment on financial instruments at amortised		18.20	46.15
	Amounts written off (net of recoveries)		37.44	19.43
		Total	55.64	65.58
29	**Employee benefit expense**			
	Salaries and wages		117.85	99.16
	Contribution to provident and other funds		9.32	7.92
	Expense on employee stock option (ESOP) scheme [Refer note 38]		3.53	5.54
	Staff welfare expenses		7.68	7.80
	Gratuity expenses		3.02	2.19
		Total	141.40	122.61
30	**Depreciation and amortisation expense**			
	Depreciation of property, plant and equipment		3.00	2.57
	Amortisation of intangible assets		0.67	0.71
	Depreciation on right of use assets		5.62	4.60
		Total	9.29	7.88
31	**Other expenses**			
	Rates & taxes		0.13	1.00
	Communication Costs		3.02	2.79
	Printing and stationery		0.75	1.41
	Legal and Professional charges		3.54	6.03
	Directors Fees		0.33	0.27
	Payment to auditors [Refer Note (i) below]		0.46	0.71
	Corporate Social Responsibility		0.51	0.18
	Membership and subscription fees		3.18	3.93
	Travel and conveyance		12.11	10.61
	Tour and Travelling		0.93	3.85
	Electricity expenses		0.45	0.47
	Office Expenses		3.34	3.16
	Bank charges		1.28	0.45
	Loss on sale of property, plant and equipments		0.00	0.01
	Miscellaneous Expenses		0.23	1.13
		Total	30.26	36.00

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Particulars	As at March 31, 2021	As at March 31, 2020
Notes :		
(i) Payment to auditors (comprises net of goods and service tax, where applicable):		
Statutory audit	0.28	0.43
Limited review	0.10	0.20
Tax audit	0.02	0.03
Other certifications	0.06	0.05
Total	**0.46**	**0.71**

32 Disclosure pertaining to corporate social responsibility expenses

The Company spent Rs. 0.51 crores (March 31, 2020 - Rs. 0.18 crores), towards Corporate Social Responsibility (CSR) activities as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
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	0.51	0.18
Construction/acquisition of any asset		
- In cash	-	-
- Unpaid	-	-
Total	-	-
On purposes other than above		
- In cash	0.51	0.18
- Unpaid	-	-
Total	**0.51**	**0.18**

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	As at March 31, 2021	As at March 31, 2020
Profit attributable to equity holders	16.79	32.22
Less: Preference Dividend	-	-
Net Profit attributable to equity holders	16.79	32.22
Weighted average number of equity shares outstanding during the year - for Basic EPS	3,00,32,047	2,76,03,148
Effect of dilutive potential equity share equivalent	4,08,170	3,69,085
Weighted average number of equity shares outstanding during the year - for Dilutive EPS	3,04,40,217	2,79,72,233
Basic earnings per share (Rs.)	5.58	11.74
Diluted earnings per share (Rs.)	5.51	11.59
Nominal value per share (Rs.)	10.00	10.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments related to loans sanctioned but not disbursed	0.73	0.09

(ii) During the year, the Company has received a demand for income tax under Income Tax Act, 1961 for Rs. 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 Rs. 0.48 crores as demand against protest. Based on the opinion received from the Company's consultant, the Company believes that the likelihood of materialising the liability may arise.

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 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.

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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 Rs. 7.26 crores crores (March 31, 2020: Rs. 5.92 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	As at March 31, 2021	As at March 31, 2020
Current service cost	2.72	2.04
Past service cost	-	-
Interest expense	0.30	0.15
Amount recognised in Statement of profit and loss	**3.02**	**2.19**
Remeasurement of defined benefit liability:		
Actuarial (gain)/loss from changes in demographic assumptions	(0.21)	(0.10)
Actuarial (gain)/loss from changes in financial assumptions	-	0.52
Actuarial (gain)/loss from experience adjustments	0.34	(0.11)
Amount recognised in other comprehensive income	**0.13**	**0.31**
Total	**3.15**	**2.50**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	-	-
Defined benefit obligation	7.45	4.49
Net defined asset /(liability) recognised in the Balance Sheet **Total**	**7.45**	**4.49**

(iii) Actual contributions and benefit payments during the year

Particulars	As at March 31, 2021	As at March 31, 2020
Actual benefit payments	(0.19)	-

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

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation at beginning of the year	4.49	1.99
Current service cost	2.72	2.04
Past service cost	-	-
Interest expense	0.30	0.15
Remeasurement (gains)/losses		
Actuarial (gain)/Loss from changes in financial assumptions	-	0.52
Actuarial (gain)/Loss from experience adjustments	0.34	(0.10)
Actuarial (gain)/Loss from changes in demographic assumptions	(0.21)	(0.11)
Benefits paid	(0.19)	-
Defined benefit obligation at end of the year	**7.45**	**4.49**

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(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, 2021**	**As at March 31, 2020**
Discount rate (in %)	6.76%	6.76%
Future salary increase (in %)	10.00%	10.00%
Retirement age	60.00	60.00
Demographic Assumptions		
Attrition		
Upto 30 years	26.10%	24.03%
31-44 years	7.53%	7.01%
Above 44 years	0.27%	0.27%
Mortality	IALM (2012-14)	IALM (2012-14)

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

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, 2021**	**As at March 31, 2020**
Present Value of Obligation at the end of the period	**7.45**	**4.49**
Effect of +50 basis points in rate of discounting	(0.56)	(0.36)
Effect of -50 basis points in rate of discounting	0.63	0.40
Present Value of Obligation at the end of the period	**7.45**	**4.49**
Effect of +50 basis points in rate of salary increase	0.57	0.36
Effect of -50 basis points in rate of salary increase	(0.52)	(0.33)

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.

(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 sheet.

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

Experience adjustments	**Present value of defined benefit obligation**	**Fair value of plan assets**	**Estimated gain/ (loss) adjustments on plan liabilities**	**Estimated gain/ (loss) adjustments on plan assets**
2020-21	7.45	-	0.34	-
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-
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).

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

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 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 Ashish Sharma - Chief Financial Officer till April 16, 2021 Samir Mehta - Deputy CEO from August 3, 2020 Vikram Jetley - Whole-time Director till April 19, 2020 Vikram Jetley - Non-executive Director from April 20, 2020
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 Falcon Edge India I LP A91 Emerging Fund I LLP LGT Capital Invest Mauritius PCC with Cell E/VP CapitalG LP CapitalG International LLC
Subsidiary Company	Foundation for Advancement of Micro Enterprises (Section 8 Company)
Relatives of KMP	Namrata Sharma

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37 Related party disclosures (cont'd)

(b) **Details of related party transactions during the year ended March 31, 2021 and outstanding balance as at March 31, 2021:**

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
A. Managerial remuneration		
Key Managerial Personnel (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)	6.73	3.74
B. Shares Issued During The Year		
Entities exercising significant influence over the Company		
A91 Emerging Fund I LLP	0.49	-
LGT Capital Invest Mauritius PCC	0.91	-
CapitalG International LLC	1.16	-
Falcon Edge India I LP	0.49	-
C. Security Premium Received		
Entities exercising significant influence over the Company		
A91 Emerging Fund I LLP	29.51	-
LGT Capital Invest Mauritius PCC	55.34	-
CapitalG International LLC	70.09	-
Falcon Edge India I LP	29.51	-
D. Dividend on 0.01% on CCPS		
Entities exercising significant influence over the Company		
SAIF Partners India V Limited	0.0006	0.0006
CapitalG International LLC	0.0001	-
A91 Emerging Fund I LLP	0.0003	0.0002
LGT Capital Invest Mauritius PCC	0.0005	0.0004
CapitalG LP	0.0004	0.0004
Falcon Edge India I LP	0.0004	0.0004
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	0.41	0.18

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance outstanding at the end of the year		
M. Long term loans and advances		
Aye Finance Employee Welfare Trust	0.13	0.13
N. Investment in subsidiary company		
Foundation for Advancement of Micro Enterprises	0.25	0.25

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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 ESOP 2016 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 399,473 options as at March 31, 2021, each option is to be converted into one fully paid-up equity share of the Company at an exercise price of Rs. 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 6,823 options on July 02, 2020. Fair valuation has been carried at the grant date using the Black-Scholes model. The shares of the Company are not listed on any stock exchange. Accordingly, the expected median volatility for listed peer group has been considered.

In October 2020 the ESOP Plan 2016 was discontinued and balance 115,751 shares of ESOP pool were transferred to a new ESOP Plan.

During the financial year, the Company approved a new Employee Stock Option Plan 2020 ('the ESOP 2020 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 632,918 Equity shares (ESOP Shares) from the existing shareholders. The Company has granted 207,850 options as at March 31, 2021, each option is to be converted into one fully paid-up equity share of the company at an exercise price of Rs. 615.87 per option. The vesting period is 4 years (with 25% each year) 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 226,481 options on Jan 02, 2021. Fair valuation has been carried at the grant date using the Black-Scholes model. The shares of the Company are not listed on any stock exchange. Accordingly, the expected median volatility for listed peer group has been considered.

Advance of Rs. 1.75 crores paid to the Aye Finance Welfare Trust for subscribing to the shares of the Company has been adjusted for Rs. 0.56 crores in Note 20 being the face value of shares issued to the trust and Rs. 1.06 crores with Securities Premium account in Note 21 being the premium at which the shares were issued.

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

Particulars	March 31, 2021						
Grant date	02-Jan-17	02-Jun-17	02-Jan-18	02-Jul-18	02-Jul-19	02-Jul-20	02-Jan-21
Exercise price (Rs.)	Rs. 29 per option	Rs. 29 per option	Rs. 29 per option	Rs. 29 per option	Rs. 29 per option	Rs. 29 per option	Rs. 616 per option
Outstanding at the beginning of the year	1,09,076	5,307	32,483	3,851	2,92,275	-	-
Options granted	-	-	-	-	-	6,823	2,26,481
Options vested and exercisable	-	-	-	-	-		-
Options unvested	-	-	-	-	-	-	-
Options cancelled	-	-	5,828	-	44,514	-	18,631
Options outstanding	**1,09,076**	**5,307**	**26,655**	**3,851**	**2,47,761**	**6,823**	**2,07,850**

Particulars	March 31, 2020				
Grant date	02-Jan-17	02-Jun-17	02-Jan-18	02-Jul-18	02-Jul-19
Exercise price (Rs.)	Rs. 29.00 per option	Rs. 29.00 per option	Rs. 29.00 per option	Rs. 29.00 per option	Rs. 29.00 per option
Outstanding at the beginning of the year	1,80,949	5,757	42,625	5,251	-
Options granted	-	-	-	-	3,07,122
Options vested and exercisable	52,087	450	3,835	-	-
Options unvested	-	-	-	-	-
Options cancelled	19,786	-	6,307	1,400	14,847
Options outstanding	**1,09,076**	**5,307**	**32,483**	**3,851**	**2,92,275**

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

Particulars	March 31, 2021		March 31, 2020
Grant date	02-Jul-20	02-Jan-21	02-Jul-19
Number of options granted	6,823	2,26,481	3,07,122
Weighted average fair value (Rs.)	592.60	245.03	423.85

All amounts are in Rs. crores unless otherwise stated

Method used for accounting for share based payment plan

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

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (Rs.)
02-Jan-17	4.89%	4 Years	41.97%	0%	72.00
02-Jun-17	4.89%	4 Years	41.97%	0%	72.00
02-Jan-18	4.89%	4 Years	41.97%	0%	111.43
02-Jul-18	4.89%	4 Years	41.97%	0%	256.24
02-Jul-19	4.89%	4 Years	41.97%	0%	447.37
02-Jul-20	4.89%	4 Years	41.97%	0%	615.87
02-Jan-21	5.04%	4 Years	42.44%	0%	615.87

Shares reserved for issue under Employee Stock Option Plan

Particulars	Employee Stock Option Plan, 2020 No. of Stock options/Equity shares	Employee Stock Option Plan, 2016 No. of Stock options/Equity shares
a. Number of equity shares approved/reserved for issue to employees of the Company drawn in accordance with Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other Rules framed thereunder:	6,76,039	5,60,294
b. Options granted under the scheme up to March 31, 2021	2,33,304	5,41,704
c. Options cancelled up to March 31, 2021 and added back to pool for future grants	18,631	92,682
d. Balance available under the scheme for future grants (d=a-b+c)	4,61,366	1,11,272

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	As at March 31, 2021	As at March 31, 2020
	Accounting profit before tax	23.28	39.99
(a)	Income tax expense		
	Current tax		
	Current tax on profits for the year	10.15	23.68
	Tax for earlier years	(1.50)	-
	Total current tax expense	**8.65**	**23.68**
	Deferred tax		
	Credit recognised in Statement of profit and loss	(2.26)	(16.14)
	Total deferred tax expense/(benefit)	**(2.26)**	**(16.14)**
	Income tax expense recognised in the statement of profit and loss	**6.39**	**7.54**
	Deferred tax relating to other comprehensive income	**(0.03)**	**(0.08)**

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All amounts are in Rs. 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	As at March 31, 2021	As at March 31, 2020
Profit from continuing operations before income tax expense	23.28	39.99
Applicable tax rate	25.17%	25.17%
Computed tax expense	5.86	10.07
Tax effect of :		
Expenses Disallowed Permanent nature	0.94	0.97
Impact of deduction to NBFC u/s 36	(4.15)	(1.25)
Expense disallowed of temporary differences	7.50	13.90
Deferred tax credit on temporary differences	(2.26)	(16.14)
Tax for earlier years	(1.50)	-
Total tax expense/(Income) recognised in other comprehensive income	6.36	7.46
Income tax expense recognised in the statement of profit and loss	6.39	7.54
Income tax recognised in other comprehensive income	(0.03)	(0.08)

(c) Deferred tax assets /liabilities

Components of deferred tax assets/ (liabilities)	As at March 31, 2020	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2021
Measurement of financial assets at amortised cost	29.83	(1.78)	-	-	28.05
Measurement of financial liabilities at amortised cost	(2.54)	0.40	-	-	(2.14)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.52	0.18	-	-	0.70
Provision for gratuity and compensated absences	1.37	1.56	0.03	-	2.96
Others	0.14	1.90	-	-	2.04
	29.32	**2.26**	**0.03**	**-**	**31.61**

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	13.29	16.54	-	-	29.83
Measurement of financial liabilities at amortised cost	(1.52)	(1.02)	-	-	(2.54)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	0.35	0.17	-	-	0.52
Provision for gratuity and compensated absences	0.96	0.33	0.08	-	1.37
Others	0.03	0.11	-	-	0.14
	13.11	**16.13**	**0.08**	**-**	**29.32**

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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, 2021.

44 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, 2021	As at March 31, 2020
	Total number of transactions entered during the year	-	8
	Total number of loan assets	-	50,914
	Total book value of loan assets	-	516.50
	Sale consideration received	-	467.77

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

S.No	Particulars	As at March 31, 2021	As at March 31, 2020
1	No. of SPV's sponsored by NBFC for securitisation transactions	8	9
2	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	134.33	338.34
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	40.23	45.51
	b) Others	45.29	51.43
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	-	-

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45A Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD. No. 367/03.10.01/2013-14 dated January 23, 2014

For the year March 31, 2021

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	112.00	202.00	-	-	314.00	112.00	202.00	-	-	314.00
		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
2	Fresh Restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	88.00	-	-	88.00	-	88.00	-	-	88.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	1.53	-	-	1.53	-	1.53	-	-	1.53
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.19	-	-	0.19	-	0.19	-	-	0.19
3	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	3.00	(3.00)	-	-	-	3.00	(3.00)	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.01	(0.01)	-	-	-	0.01	(0.01)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	(35.00)	(25.00)	-	-	(60.00)	(35.00)	(25.00)	-	-	(60.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.14)	(0.25)	-	-	(0.39)	(0.14)	(0.25)	-	-	(0.39)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.02)	-	-	(0.03)	(0.01)	(0.02)	-	-	(0.03)
5	Downgradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	(41.00)	41.00	-	-	-	(41.00)	41.00	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	(0.37)	0.37	-	-	-	(0.37)	0.37	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.27)	0.27	-	-	-	(0.27)	0.27	-	-	-
6	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	(7.00)	(90.00)	-	-	(97.00)	(7.00)	(90.00)	-	-	(97.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	32.00	213.00	-	-	245.00	32.00	213.00	-	-	245.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	0.23	2.81	-	-	3.04	0.23	2.81	-	-	3.04
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.05	1.01	-	-	1.06	0.05	1.01	-	-	1.06

* 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, 2021

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45 B Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD. No. 367/03.10.01/2013-14 dated January 23, 2014
For the year March 31, 2020

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
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

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All amounts are in Rs. crores unless otherwise stated

46 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.

	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	191.60	-	191.60	172.18	-	172.18
Bank Balance other than cash and cash equivalents	164.99	2.18	167.17	50.93	5.75	56.68
Derivative financial instruments	-	-	-	-	3.28	3.28
Loans	760.30	740.46	1,500.76	782.66	934.16	1,716.82
Investments	-	198.17	198.17	-	6.88	6.88
Other Financial assets	16.68	-	16.68	1.64	-	1.64
Non-financial Assets						
Current Tax assets (Net)	-	0.37	0.37	-	1.03	1.03
Deferred tax Assets (Net)	-	31.61	31.61	-	29.32	29.32
Property, plant and equipment	-	5.31	5.31	-	5.78	5.78
Right of use assets	-	20.37	20.37	-	11.53	11.53
Capital work-in-progress	-	0.01	0.01	-	1.21	1.21
Other intangible assets	-	1.56	1.56	-	0.49	0.49
Other non-financial assets	4.88	-	4.88	5.18	-	5.18
Total Assets	**1,138.45**	**1,000.04**	**2,138.49**	**1,012.59**	**999.43**	**2,012.02**
LIABILITIES						
Financial Liabilities						
Debt securities	357.76	670.66	1,028.42	589.82	589.61	1,179.43
Borrowings (other than debt securities)	111.34	185.94	297.28	57.08	215.99	273.07
Lease liability	6.45	16.25	22.70	3.88	8.23	12.11
Derivative financial instruments	-	1.79	1.79	-	-	
Other financial liabilities	5.81	-	5.81	6.22	-	6.22
Non-Financial Liabilities						
Provisions	15.48	7.45	22.93	10.93	6.83	17.76
Other non-financial liabilities	12.86	-	12.86	6.72	-	6.72
Equity						
Share Capital	-	30.45	30.45	-	27.04	27.04
Other Equity	-	716.25	716.25	-	489.67	489.67
Total liabilities and Equity	**509.70**	**1,628.79**	**2,138.49**	**674.65**	**1,337.37**	**2,012.02**

Aye Finance Private Limited
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All amounts are in Rs. crores unless otherwise stated

47 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, 2021	As at March 31, 2020
Tier I Capital	667.32	445.82
Tier II Capital	-	-
Total Capital	667.32	445.82
Risk weighted assets	1,620.58	1,440.44
Tier I Capital Ratio (%)	41.18%	30.95%
Tier II Capital Ratio (%)	0.00%	0.00%

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.

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48 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.

48.1 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.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group.

The below amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

a Credit quality of financial loan

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value of loans : Mortgage Loans		
Stage 1	10.00	16.19
Stage 2	2.55	0.11
Stage 3	0.55	0.59
Total gross carrying value as at reporting date	**13.10**	**16.89**

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value of loans : Quasi Mortgage loans		
Stage 1	170.07	277.69
Stage 2	37.82	3.88
Stage 3	12.73	10.30
Total gross carrying value as at reporting date	**220.62**	**291.87**

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value of loans : Hypothecated loans		
Stage 1	1,169.16	1,438.44
Stage 2	127.87	8.20
Stage 3	38.70	26.05
Total gross carrying value as at reporting date	**1,335.73**	**1,472.69**

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

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 Days 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

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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.

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 ECL.
- 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 ;

c **Impairment loss**

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

Particulars	**Stage 1** **Performing loans 12 month ECL**	**Stage 2** **Underperforming Loans- Lifetime ECL-not credit impaired**	**Stage 3** **Impaired loans- lifetime ecl-credit impaired**	**Total**
Gross carrying value as at March 31, 2021	10.00	2.55	0.56	13.11
ECL rate	0.46%	27.23%	59.20%	
ECL Amount	0.05	0.69	0.33	1.07
Carrying amount (net of provision)	9.95	1.86	0.23	12.04
Gross carrying value as at March 31, 2020	16.08	0.13	0.68	16.89
ECL rate	1.41%	86.41%	82.69%	
ECL Amount	0.23	0.11	0.56	0.90
Carrying amount (net of provision)	15.85	0.02	0.12	15.99

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

Particulars	**Stage 1** **Performing loans 12 month ECL**	**Stage 2** **Underperforming Loans- Lifetime ECL-not credit impaired**	**Stage 3** **Impaired loans- lifetime ecl-credit impaired**	**Total**
Gross carrying value as at March 31, 2021	170.07	37.82	12.73	220.62
ECL rate	0.84%	29.24%	65.21%	
ECL Amount	1.42	11.06	8.30	20.78
Carrying amount (net of provision)	168.65	26.76	4.43	199.84
Gross carrying value as at March 31, 2020	277.11	3.93	10.82	291.86
ECL rate	2.00%	93.15%	93.42%	
ECL Amount	5.53	3.66	10.11	19.30
Carrying amount (net of provision)	271.58	0.27	0.71	272.56

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

Particulars	**Stage 1** **Performing loans 12 month ECL**	**Stage 2** **Underperforming Loans- Lifetime ECL-not credit impaired**	**Stage 3** **Impaired loans- lifetime ecl-credit impaired**	**Total**
Gross carrying value as at March 31, 2021	1,169.15	127.87	38.70	1,335.72
ECL rate	0.51%	24.03%	79.97%	
ECL Amount	6.00	30.73	30.95	67.68
Carrying amount (net of provision)	1,163.15	97.14	7.75	1,268.04
Gross carrying value as at March 31, 2020	1,437.06	8.02	27.61	1,472.69
ECL rate	1.19%	92.89%	96.29%	
ECL Amount	17.08	7.45	26.58	51.11
Carrying amount (net of provision)	1,419.98	0.57	1.03	1,421.58

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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 March 31, 2019	15.84	0.05	0.64	16.53
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 originated/derecognised during the year	0.83	-	(0.08)	0.75
Write offs during the year		(0.05)	(0.34)	(0.39)
Gross carrying amount as at March 31, 2020	**16.08**	**0.13**	**0.68**	**16.89**
changes due to loans recognised in the opening				
- Transfer to stage 1	0.07	-	(0.07)	-
- Transfer to stage 2	(2.48)	2.52	(0.04)	-
- Transfer to stage 3	(0.49)	(0.05)	0.54	-
Loans originated/derecognised during the year	(3.12)	(0.05)	0.01	(3.16)
write offs during the year	(0.06)	-	(0.57)	(0.63)
Gross carrying amount as at March 31, 2021	**10.00**	**2.55**	**0.55**	**13.10**

48.1 Credit Risk (cont'd)

Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
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	-	-	-	-
- Transfer to stage 2	(0.11)	0.11	-	-
- Transfer to stage 3	(0.41)	-	0.41	-
Loans originated/derecognised during the year	0.72	-	(0.11)	0.61
Write offs during the year	-	(0.03)	(0.31)	(0.34)
ECL allowances balances as at March 31, 2020	**0.23**	**0.11**	**0.56**	**0.90**
changes due to loans recognised in the opening				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(0.66)	0.68	(0.02)	-
- Transfer to stage 3	(0.29)	(0.03)	0.32	-
Loans originated/derecognised during the year	0.77	(0.07)	(0.05)	0.65
Write offs during the year	-	-	(0.48)	(0.48)
ECL allowances balances as at March 31, 2021	**0.05**	**0.69**	**0.33**	**1.07**

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

Gross Exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
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 originated/derecognised during the year	40.81	0.12	0.11	41.04
Write offs during the year	(0.15)	(0.51)	(4.84)	(5.50)
Gross carrying amount as at March 31, 2020	**277.11**	**3.94**	**10.82**	**291.87**
changes due to loans recognised in the opening				
- Transfer to stage 1	0.30	(0.24)	(0.06)	-
- Transfer to stage 2	(36.63)	36.95	(0.32)	-
- Transfer to stage 3	(6.88)	(2.74)	9.62	-
Loans originated/derecognised during the year	(63.23)	(0.09)	(0.13)	(63.45)
Write offs during the year	(0.60)	-	(7.20)	(7.80)
Gross carrying amount as at March 31, 2021	**170.07**	**37.82**	**12.73**	**220.62**

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Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
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	-	-	-	-
- Transfer to stage 2	(2.92)	2.92	-	-
- Transfer to stage 3	(8.19)	(0.60)	8.79	-
Loans originated/derecognised during the year	15.28	0.14	0.20	15.62
Write offs during the year	-	(0.46)	(4.54)	(5.00)
ECL allowances balances as at March 31, 2020	**5.53**	**3.66**	**10.11**	**19.30**
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(10.74)	10.79	(0.05)	-
- Transfer to stage 3	(4.49)	(1.78)	6.27	-
Loans originated/derecognised during the year	11.13	(1.61)	(1.27)	8.25
Write offs during the year	(0.01)	-	(6.76)	(6.77)
ECL allowances balances as at March 31, 2021	**1.42**	**11.06**	**8.30**	**20.78**

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 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	-	-
- Transfer to stage 3	(24.19)	(0.60)	24.79	-
Loans originated/derecognised during the year	706.62	1.97	2.48	711.07
Write offs during the year	(0.74)	(1.98)	(9.51)	(12.23)
Gross carrying amount as at March 31, 2020	**1,436.50**	**8.02**	**28.17**	**1,472.69**
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	0.25	(0.12)	(0.13)	-
- Transfer to stage 2	(126.05)	126.40	(0.35)	-
- Transfer to stage 3	(27.46)	(6.89)	34.35	-
Loans originated/derecognised during the year	(107.89)	0.50	(0.79)	(108.18)
Write offs during the year	(6.19)	(0.04)	(22.55)	(28.78)
Gross carrying amount as at March 31, 2021	**1,169.16**	**127.87**	**38.70**	**1,335.73**

48.1 Credit Risk (cont'd)

Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
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	-	-	-	-
- Transfer to stage 2	(5.03)	5.03	-	-
- Transfer to stage 3	(22.74)	(0.58)	23.32	-
Loans originated/derecognised during the year	41.83	1.93	2.64	46.40
Write offs during the year	-	(1.79)	(9.33)	(11.12)
ECL allowances balances as at March 31, 2020	**17.08**	**7.45**	**26.58**	**51.11**
changes due to loans recognised in the opening balances that have :				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(30.28)	30.36	(0.08)	-
- Transfer to stage 3	(21.97)	(5.51)	27.48	-
Loans originated/derecognised during the year	41.24	(1.53)	(1.24)	38.47
Write offs during the year	(0.07)	(0.04)	(21.79)	(21.90)
ECL allowances balances as at March 31, 2021	**6.00**	**30.73**	**30.95**	**67.68**

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

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48.2 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 52.50 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 which is monitored by the Asset Liability Committee. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Maturities of financial liabilities

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

Particulars	March 31, 2021			March 31, 2020		
Financial Liabilities	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Lease liabilities	6.45	16.25	22.70	3.88	8.23	12.11
Debt securities	357.76	670.66	1,028.42	589.82	589.61	1,179.43
Borrowings(other than debt securities)	111.34	185.94	297.28	57.08	215.99	273.07
Other financial liabilities	5.81	-	5.81	6.22	-	6.22
Total financial liabilities	**481.36**	**872.85**	**1,354.21**	**657.00**	**813.83**	**1,470.83**

48.3 Market risk

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

a Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

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

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities in Rs.	USD	37.16	37.45
Financial liabilities in Rs.	EURO	130.36	-

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48.3 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/loans on fluctuating interest rates except following:-

b.1 Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Debt securities		
Variable rate	-	-
Fixed rate	1,028.42	1,179.43
Borrowings (other than debt)		
Variable rate	52.59	77.92
Fixed rate	244.69	195.15
Sensitivity analysis		
increase by 80 basis points	0.42	0.23
decrease by 80 basis points	0.42	0.23

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, 2021	As at March 31, 2020
Investments	197.14	5.85
Sensitivity analysis		
increase by 4%	7.89	0.53
decrease by 4%	(7.89)	(0.53)

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49 Leases

49.1.1 Carrying value of right of use assets:

Particulars	Total	Leases	Security Deposits
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**
Additions	14.48	14.05	0.43
Deletions	(0.02)	(0.02)	-
Depreciation charge for the year	(5.62)	(5.39)	(0.23)
Balance at March 31, 2021	**20.37**	**19.78**	**0.59**

49.1.2 Carrying value of Lease liabilities:

Particulars	Total	Leases	Security Deposits
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**	-
Additions	14.06	14.06	-
Finance cost	1.81	1.81	-
Lease payments	(5.28)	(5.28)	-
Balance at March 31, 2021	**22.70**	**22.70**	-

49.1.3 Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	**As at March 31, 2021**	**As at March 31, 2020**
Less than one year	7.79	5.22
One to five years	19.18	9.70
More than five years	3.13	0.36
Total undiscounted lease liabilities at March 31, 2021	**30.10**	**15.28**

49.1.4 Amounts recognised in profit or loss

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Interest on lease liabilities	1.81	1.57
Depreciation on ROU assets	5.38	4.46
Total	**7.19**	**6.03**

49.1.5 Cash outflow of leases

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Cash outflow of leases		
Lease payments	5.28	5.34

49.1.6 Break up value of the Current and Non - Current Lease Liabilities for the year ended March 31, 2021

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Current lease liabilities	6.45	3.88
Non-current lease liabilities	16.25	8.23
Total	**22.70**	**12.11**

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50 Financial instruments and Fair value disclosures

Valuation principles

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

Fair Value hierarchy of Asset and Liabilities measured at fair value

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
At fair value through Profit and Loss				
Derivative Liability - Forward currency swaps	-	1.79	-	1.79
Investments	6.29	-	-	6.29
Total	**6.29**	**1.79**	**-**	**8.08**

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
At fair value through Profit and Loss				
Derivative Asset - Forward currency swaps	-	3.28	-	3.28
Investments	5.85	-	-	5.85
Total	**5.85**	**3.28**	**-**	**9.13**

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

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

Valuation methodologies of financial instruments not measured at fair value

Loans

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

Borrowings

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

Short Term and Other Financial Assets and Liabilities

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

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51.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
For the year March 31, 2021

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	1,349.23	7.47	1,341.76	6.70	0.77
	Stage 2	168.24	42.48	125.76	12.40	30.08
Subtotal		**1,517.47**	**49.95**	**1,467.52**	**19.10**	**30.85**
Non-Performing Assets (NPA)						
Substandard	Stage 3	46.39	35.47	10.92	38.34	(2.87)
Doubtful - up to 1 year	Stage 3	5.59	4.11	1.48	5.59	(1.48)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**5.59**	**4.11**	**1.48**	**5.59**	**(1.48)**
Loss assets		-	-	-	-	-
Subtotal for NPA	Stage 3	**51.98**	**39.58**	**12.40**	**43.93**	**(4.35)**
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**	1,349.23	7.47	1,341.76	6.70	0.77
	Stage 2	168.24	42.48	125.76	12.40	30.08
	Stage 3	51.98	39.58	12.40	43.93	(4.35)
	Total	**1,569.45**	**89.53**	**1,479.92**	**63.03**	**26.50**

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.

Note:-The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

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All amounts are in Rs. crores unless otherwise stated

51.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 as per RBI Norms
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	1,709.80	9.02	13.82
	Stage 2	12.61	11.74	0.87	0.67	11.07
Subtotal		**1,745.25**	**34.58**	**1,710.67**	**9.69**	**24.89**
Non-Performing Assets (NPA)						
Substandard	Stage 3	38.57	36.71	1.86	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 assets		-	-	-	-	-
Subtotal for NPA	Stage 3	**38.60**	**36.74**	**1.86**	**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	1,709.80	9.02	13.82
	Stage 2	12.61	11.74	0.87	0.67	11.07
	Stage 3	38.60	36.74	1.86	4.77	31.97
	Total	**1,783.85**	**71.32**	**1,712.53**	**14.46**	**56.86**

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.

Note:-The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

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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.

52.1 Summary of Significant Accounting Policies –

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

52.2 Capital

Particulars		March 31, 2021	March 31, 2020
i)	CRAR (%)	41.18%	30.95%
ii)	CRAR - Tier I Capital (%)	41.18%	30.95%
iii)	CRAR - Tier II Capital (%)	0.00%	0.00%
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

52.3 Investments

(Amount in Rs. crores)

Particulars			March 31, 2021	March 31, 2020
(1)	Value of Investments		-	-
	(i)	Gross Value of Investments	-	-
	(a)	In India	198.17	6.88
	(b)	Outside India	-	-
	(ii)	Provisions for Depreciation	-	-
	(a)	In India	-	-
	(b)	Outside India	-	-
	(iii)	Net Value of Investments	-	-
	(a)	In India	198.17	6.88
	(b)	Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		-	-
	(i)	Opening balance	-	-

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Particulars			March 31, 2021	March 31, 2020
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less Write-off/ write-back of excess Provisions during the year	-	-
	(iv)	Closing Balance	-	-

52.4 Derivatives

52.4.1 Forward Rate Agreement / Interest Rate Swap

(Amount in Rs. crores)

Particulars		March 31, 2021	March 31, 2020
(i)	The notional principal of swap agreements	162.72	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	(1.79)	3.28

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

52.4.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in Rs. 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	

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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	

52.4.3 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

S.No.	Particulars	March 31, 2021		March 31, 2020	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1)	Derivative (Notional Principal Amount) – for hedging	162.72	-	34.5	-
2)	Marked to Market positions	(1.79)	-	3.28	-
3)	Credit Exposure	162.72	-	34.5	-
4)	Unhedged exposures	-	-	-	-

- Cross currency interest rate swap

Notes forming part of the financial statements

52 Additional information to the financial statements

52.4 Disclosures relating to Securitisation

Refer Note No. 44 of the financial statements.

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

As at March 31, 2021 (Amount in Rs. Crores)

	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits			-	-	-	-	-	-	-	-	-
Advances*	70.74	-	-	75.96	74.21	218.64	410.28	663.10	69.41	7.95	1590.29
Investments *	212.56	-	65.00	73.91	23.01	84.72	21.74	2.10	-	2.94	485.98
Borrowing*	34.30	3.90	4.54	17.46	24.61	118.28	233.05	650.39	73.25	0.02	1159.80
Foreign Currency Assets			-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities			-	-	-	-	-	165.90	-	-	165.90

As at March 31, 2020 (Amount in Rs. Crores)

	0 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits			-	-	-	-	-	-	-	-	-
Advances *	31.06	-	-	42.08	52.28	115.37	529.27	992.14	25.44	0.51	1,788.15
Investments *	56.92	-	-	2.68	2.96	12.35	25.37	12.07	-	0.25	112.60
Borrowing*	-	-	11.79	29.65	41.60	169.70	335.44	709.32	117.31	-	1,414.81
Foreign Currency Assets			-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities			-	-	-	-	-	37.69	-	-	37.69

Notes

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

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* The advances are gross of impairment loss allowance.
* Investments include the amount of deposits with banks
* 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.

52.6 Exposures

52.6.1 Exposure to Real Estate Sector

(Amount in Rs. Crores)

		Category	March 31, 2021	March 31, 2020
a)	Direct Exposure			
	(i)	Residential Mortgages -	231.08	NIL
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	231.08	NIL
	(ii)	Commercial Real Estate -	2.65	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	2.65	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			233.73	NIL

52.6.2 Exposure to Capital Market

(Amount in Rs. crores)

	Particulars	March 31, 2021	March 31, 2020
(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

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Particulars		March 31, 2021	March 31, 2020
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or 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

52.7 Details of financing of parent company products

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

52.8 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 March 31, 2021.

52.9 Unsecured Advances

The Company has given Rs. 1,356.55 crores of unsecured loans.

52.10. Miscellaneous

52.10.1 Registration obtained from other financial sector regulators

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

Registration/ License Authority issuing the	Registration/ License Authority issuing the	Registration/ License Authority issuing the
Certificate of registration	Reserve Bank Of India	B-14.03323

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52.10.2 Disclosure of Penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2021.

52.10.3 Related Party Transactions

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

52.10.4 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 2020-21	[IND] A-	Stable
a). Fund based term loan of INR 55.6 crores b). NCD 446.00 crores	FY 2020-21	[ICRA] BBB^{+} [ICRA] BBB^{+}	Stable Stable
Aye Finance Private Limited by India Ratings & Research	FY 2019-20	[IND] A-	Stable
a). Fund based term loan of INR 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

52.11 Additional Disclosures

52.11.1 Provisions & Contingencies

(Amount in Rs. Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2021	March 31, 2020
Provisions for depreciation on Investment	-	-
Provision towards Stage 3	39.58	36.54
Provision made towards Income tax net of deferred tax	-	9.11
Other Provision and Contingencies	-	-
Provision for Stage 1 and Stage 2	49.95	9.61

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52.11.2 Draw Down from Reserves

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

52.12 Concentration of Deposits, Advances, Exposures and NPAs

The Company has not taken any deposits from any party. The below amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

52.12.1 Concentration of Advances

(Amount in Rs. Crore)

Particulars	March 31, 2021	March 31, 2020
Total Advances to twenty largest borrowers	3.73	4.80
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.24%	0.27%

52.12.2 Concentration of Exposures

(Amount in Rs. Crore)

Particulars	March 31, 2021	March 31, 2020
Total Exposure to twenty largest borrowers/Customers	4.42	4.89
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.21%	0.28%

* the above does not include the investment in debts mutual funds and total assets has been considered for the purpose of calculation.

52.13.3 Concentration of NPAs

Particulars	March 31, 2021	March 31, 2020
Total Exposure to top four credit impaired accounts	0.38	0.35

52.12.4 Sector-wise NPAs

S. No.	Sector	Percentage of NPAs to total advances in that sector
1	Agriculture & allied activities	-
2	MSME	3.27%
3	Corporate borrowers	-
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	-

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52.12.5 Movement of NPAs

(Amount in Rs. Crore)

		Particulars	March 31, 2021	March 31, 2020
(i)	Net NPAs to Net Advances (%)		0.80%	0.11%
(ii)	Movement of NPAs (Gross)*			
	(a)	Opening balance	39.67	17.22
	(b)	Additions during the year	44.51	38.89
	(c)	Reductions during the year	(32.20)	(16.44)
	(d)	Closing balance	51.98	39.67
(iii)	Movement of Net NPAs*			
	(a)	Opening balance	2.41	1.04
	(b)	Additions during the year	10.44	2.35
	(c)	Reductions during the year	(0.45)	(0.98)
	(d)	Closing balance	12.40	2.41
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets) *			
	(a)	Opening balance	37.26	16.18
	(b)	Additions during the year	34.07	36.54
	(c)	Reductions during the year	(31.75)	(15.46)
	(d)	Closing balance	39.58	37.26

*The above amounts does not include the impact of EIR on applicable fees and interest accrued on customer loans.

52.13 Overseas Assets

The Company does not own any assets outside the country.

52.14 Off – balance sheet SPVs sponsored

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

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53.15 Disclosure of Complaints

S.No	Particulars	March 31, 2021	March 31, 2020
(a)	No. of complaints pending at the beginning of the year	-	9
(b)	No. of complaints received during the year	108	410
(c)	No. of complaints redressed during the year	107	419
(d)	No. of complaints pending at the end of the year	1	-

52.16 Expenditure on Corporate Social Responsibility

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

52.17 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to Rs. 0.07 crores (March 31, 2020 Rs. 0.02 crores).

52.18 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

In accordance with Reserve Bank of India ("RBI") guidelines relating to 'COVID-19 — Regulatory Package' dated March 27, 2020 and subsequent guideline on EMI moratorium dated April 17, 2020 and May 23, 2020 ("RBI regulatory package"), the company has offered moratorium on the payment of installments falling due between March 1, 2020 to August 31, 2020 ("moratorium period") to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded from no. of days past dues for the purpose of asset classification. The company holds provision as at March 31, 2021/March 31, 2020 against the potential impact of COVID 19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package — Asset classification and provisioning are given below:

S.No.	Particulars	Amount (in Rs. crores) as at March 31, 2021
1.	Advance outstanding in SMA/Overdue" categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as on February 29, 2020)*	26.40
2.	Respective amounts where assets classification benefit was extended*	11.93
3.	Provision made in terms of paragraph 5 of the circular (As per paragraph 4 applicable to NBFC's covered under IND AS)*	8.10
4.	Provision adjusted against slippages in terms pf paragraph 6 of the circular*	7.75
5.	Residual provision as of in terms of paragraph 6 of the circular*	0.34

* Advance outstanding of accounts under SMA/Overdue category is as of March 31, 2021.

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

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

Particulars	March 31, 2021
No. of accounts restructured	10,508
Amount (Rs. in 'crores')*	142.19

*Balances are as at March 31, 2021

52.20 Details of Interest on Interest during the moratorium period

In accordance with the RBI notification dated April 7 2021, the Company is required to refund/adjust 'interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company has recorded the liability towards estimated interest relief of Rs. 0.04 crores and reduced the same from the interest income.

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

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

52.22 The Company owns 99.999% of Foundation for Advancement of Micro Enterprises (FAME), incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.

52.23 Transactions with Non-Executive Directors

Sr. No.	Name of Non-Executive Director	Transaction Type	March 31, 2021	March 31, 2020
1	N K Maini	Payment of sitting fees	0.13	0.11
2	Kanika Tandon Bhal	Payment of sitting fees	0.10	0.08
3	Vinay Baijal	Payment of sitting fees	0.10	0.08
	Total		**0.33**	**0.27**

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52.24 Postponement of Revenue Recognition

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

52.25 Details of Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms.

On the basis of information and record available with the management, there are no outstanding balances of such suppliers and interest due on such accounts as on March 31, 2020.

The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

52.26 Details of Non-Performing Financial Assets purchased/sold

The Company has neither purchased or sold any non performing financial asset during 2020-21 and 2019-20.

52.27 Value of imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2020 – Nil).

52.28 Disclosures as required for liquidity risk

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

Particulars	March 31, 2021	March 31, 2020
Number of significant counter parties	7	7
Amount (in Cr)	992.63	913.66
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	71.43%	61.10%

b. Top 20 large deposits

Particulars	March 31, 2021	March 31, 2020
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

c. Top 10 borrowings

Particulars	March 31, 2021	March 31, 2020
Total amount of top 10 borrowings	1098.13	1038.93
Percentage of amount of top 10 borrowings to total borrowings	82.83%	71.53%

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d. Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	March 31, 2021	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	889.95	64.04%
2	Term Loans	167.53	12.06%
3	Borrowing under securitization arrangement	118.39	8.52%
4	External commercial borrowings	82.97	5.97%
5	Non-Convertible Debentures (Unsecured)	55.49	3.99%
6	Working Capital/Line of credit/Overdraft Facility	11.37	0.82%

Sr. No.	Name of the instrument/product	March 31, 2020	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	790.41	52.86%
2	Term Loans	38.04	2.54%
3	Borrowing under securitization arrangement	220.61	14.75%
4	External commercial borrowings	290.04	19.40%
5	Non-Convertible Debentures (Unsecured)	98.99	6.62%
6	Working Capital/Line of credit/Overdraft Facility	14.41	0.96%

e. Stock ratio

Sr. No.	Stock Ratios	March 31, 2021	March 31, 2020
1	Commercial papers as a % of total public funds	N.A.	N.A.
2	Commercial papers as a % of total liabilities	N.A.	N.A.
3	Commercial papers as a % of total assets	N.A.	N.A.
4	Non-Convertible Debentures as a % of total public funds	N.A.	N.A.
5	Non-Convertible Debentures as a % of total liabilities	N.A.	N.A.
6	Non-Convertible Debentures as a % of total assets	N.A.	N.A.
7	Other short-term liabilities as a % of total public funds	38.98%	46.45%
8	Other short-term liabilities as a % of total liabilities	37.19%	45.12%
9	Other short-term liabilities as a % of total assets	24.19%	33.53%

52.29 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

S.R. BATLIBOI & ASSOCIATES LLP

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Notes forming part of the financial statements

52 Additional information to the financial statements

risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109. Consideration received in this transaction is presented as 'Borrowing under Securitisation' under Note 14.

Particulars	March 31, 2021	March 31, 2020
Carrying amount of transferred assets measured at amortised cost	134.32	309.64
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	82.98	290.03

53. Changes in Liabilities arising from financing activities

Particulars	April 1, 2020	Cash flows	Exchange difference	Other	March 31, 2021
Debt securities	1179.43	(151.01)	-	-	1028.42
Borrowings (other than debt securities)	52.28	248.20	5.08	-	305.56
Borrowings under securitisation	220.79	(229.07)	-	-	(8.28)
Total	**1452.50**	**(131.88)**	**5.08**	**-**	**1325.70**

Particulars	April 1, 2019	Cash flows	Exchange difference	Other	March 31, 2020
Debt securities	551.96	627.47	-	-	1179.43
Borrowings (other than debt securities)	174.08	(124.99)	3.19	-	52.28
Borrowings under securitisation	53.01	167.78	-	-	220.79
Total	**779.05**	**670.26**	**3.19**	**-**	**1452.50**

54 Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's operations and estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance with Reserve Bank of India guidelines relating to CoVID-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. Further. the Company offered resolution plan to its customers pursuant to RBI's guideline 'Micro, Small and Medium Enterprises (MSME) sector — Restructuring of Advances' dated 6 August 2020.

Estimates and assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors that take into consideration the impact of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impact of the pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

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

56 The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors

Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021

Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021

S.R. BATLIBOI & ASSOCIATES LLP

AYE FINANCE PVT. LTD.

DISCLOSURES

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

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

Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results - Refer Note 37 of the Financial Statements for FY 20-21.

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,
Website: www.ayefin.com
Tel No: 011-4308959

Corporate Office
Unit No. -701-711, 7th Floor, Unitech Commercial Tower-2,
Sector-45, Arya Samaj Road, Block B, Greenwood City,
Gurgaon Haryana,122003
Tel No: 0124-4844000

Key Managerial Personnel (KMP)
Mr. Mayank Shyam Thatte, Chief Financial Officer
Ms. Tripti Pandey, Company Secretary

Auditors
S. R. Batliboi & Associates LLP

Secretarial Auditors
Brajesh Kumar & Associates

Internal Auditors-
KPMG

Debenture Trustees

1.	Name:	VISTRA ITCL (INDIA) LTD
	Address	IL&FS Financial Centre, Plot C- 22, G Block, BKC Road, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051
	Telephone:	Phone: 022-26593602
	E-mail:	Veronica.Fernandes@vistra.com
2.	Name:	CATALYST TRUSTEESHIP LTD
	Address:	Office No. 83 – 87, 8th floor, ‘Mittal Tower’, ‘B’ Wing, Nariman Point, Mumbai – 400021
	Telephone:	022-49220507
	E-mail:	ComplianceCTL-Mumbai@ctltrustee.com
3.	Name:	Beacon Trusteeship Limited
	Address:	4 C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East), Mumbai – 400051
	Telephone:	022-26558759
	E-mail:	teamb@beacontrustee.co.in

4. Name: IDBI Trusteeship Services Limited
   Address: Asian Building, Ground Floor, 17. R. Kamani Marg, Ballard Estate, Mumbai – 400001
   Telephone: 022 40807000
   E-mail: naresh.sachwani@idbitrustee.com

Registrar and Share Transfer Agent

Name: Karvy Fintech Pvt Ltd (BP ID- IN200800)
Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032,
Attention: Mr S P Venugopal (DGM - Corporate Registry)
E-mail: venu.sp@kfintech.com

Bankers

HDFC Bank, ICICI Bank, SBI Bank, Federal Bank