Annual Report
2024-25

AYE [आय]

Building on Resilience, **Driven by Innovation.**




Across the Pages

Corporate Overview

Statutory Reports

For more investor-related information, please visit
https://www.ayefin.com/investor-relations/

Or scan the QR code

Disclaimer
This document contains statements about expected future events and financials of Aye Finance Limited ('Aye Finance'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in this Annual Report.

Building on Resilience, Driven by Innovation.

Our story continues to be shaped by two defining strengths: resilience and innovation. We have consistently demonstrated the ability to withstand and adapt to financial cycles and regulatory transitions be it the GST implementation, demonetisation, the global upheaval due to the Covid-19 pandemic and more recently the over lending in the markets. Through each of these inflection points, we remained committed to our purpose and delivered on our goals. This resilience is a testimony of our culture, our systems and our way of doing business.

At the same time, we have made a deliberate choice to lead through innovation. Whether it is deploying data science to sharpen credit models, digitising field operations for deeper outreach, or reimagining financial products for underserved segments, we have consistently found smarter ways to solve emerging challenges. This innovation-led approach has allowed us to stay ahead of the curve and build enduring trust with customers, partners, and investors.

Resilience gives us strength. Innovation fuels our momentum.

Together, they not only define who we are; they shape our vision for the future. As we move forward, we remain focussed on creating a more inclusive and tech-driven model of enterprise finance, one that becomes stronger with every challenge and smarter with every step.

Financial Highlights 2024-25

(₹ in Crores)

5,534
AUM

4,291
Disbursement

1,505
Revenue

171
PAT

AYE [आय]

About Us

Fuelling Ambitions, **Transforming Lives**

Since our inception in 2014, we at Aye Finance Limited (formerly known as Aye Finance Private Limited and hereinafter referred to as 'Aye Finance', 'the Company', or 'We') have worked to redefine financial inclusion for India's micro-enterprises.

Our approach utilises advanced technology and smart data science along with effective field validation at our branches. We are focussed on credit quality in our lending while fostering economic growth. Through accessible business loans, we unlock the potential of small enterprises, enabling them to thrive and spark ripple effects of social and economic progress. At Aye Finance, our goal extends beyond financing; we are committed to shaping a more sustainable future by deepening financial inclusion and creating lasting impact in the lives of entrepreneurs.

Numbers that Define Us

5 Lakhs+
Number of Active Clients

21
Number of States and Union Territories

9,000+
Number of Employees

21
Total Equity Shareholders

₹ 250 Crores
Total Equity Raised in 2024-25

Our Vision

Aye's vision is to be a leading finance company in India, admired by Customers, Employees, Investors and Regulators for its Service and Innovations.

Our Mission

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

Our Values

Innovation

Be curious. Explore. Pioneer.

Trustworthiness

Be fair. Keep promises. Be genuine.

Social Impact

Make a difference. Give back. Touch lives.

Being the Best

Learn. Mentor. Onwards together.

Customer Commitment

Think customer. Be proactive. Exceed expectations.

Our Product Range

- Hypothecation Loans
- Mortgage Loans
- 'Saral' Property Loans
- Shakti Loans
- SwitchPe

Our Presence Across Clusters

Horizontal Clusters

- Grocery Shop
- Tailoring
- Salon
- Eatery
- Beauty Parlor

Vertical Clusters

- Dry Cleaning
- Men's Shoes
- Glasswork
- Woodwork
- Leather Goods
- Iron Works
- Pottery
- Silver Ware
- Sports Goods
- Handicrafts
- Lac Bangles
- Power Loom
- Scientific Instruments
- Agri Tools
- Hosiery
- Pin Manufacturing
- Rugs & Carpets
- Women's Shoes
- Garment
- ••• and more

A Snapshot of Our Footprint

21

States and Union Territories

387

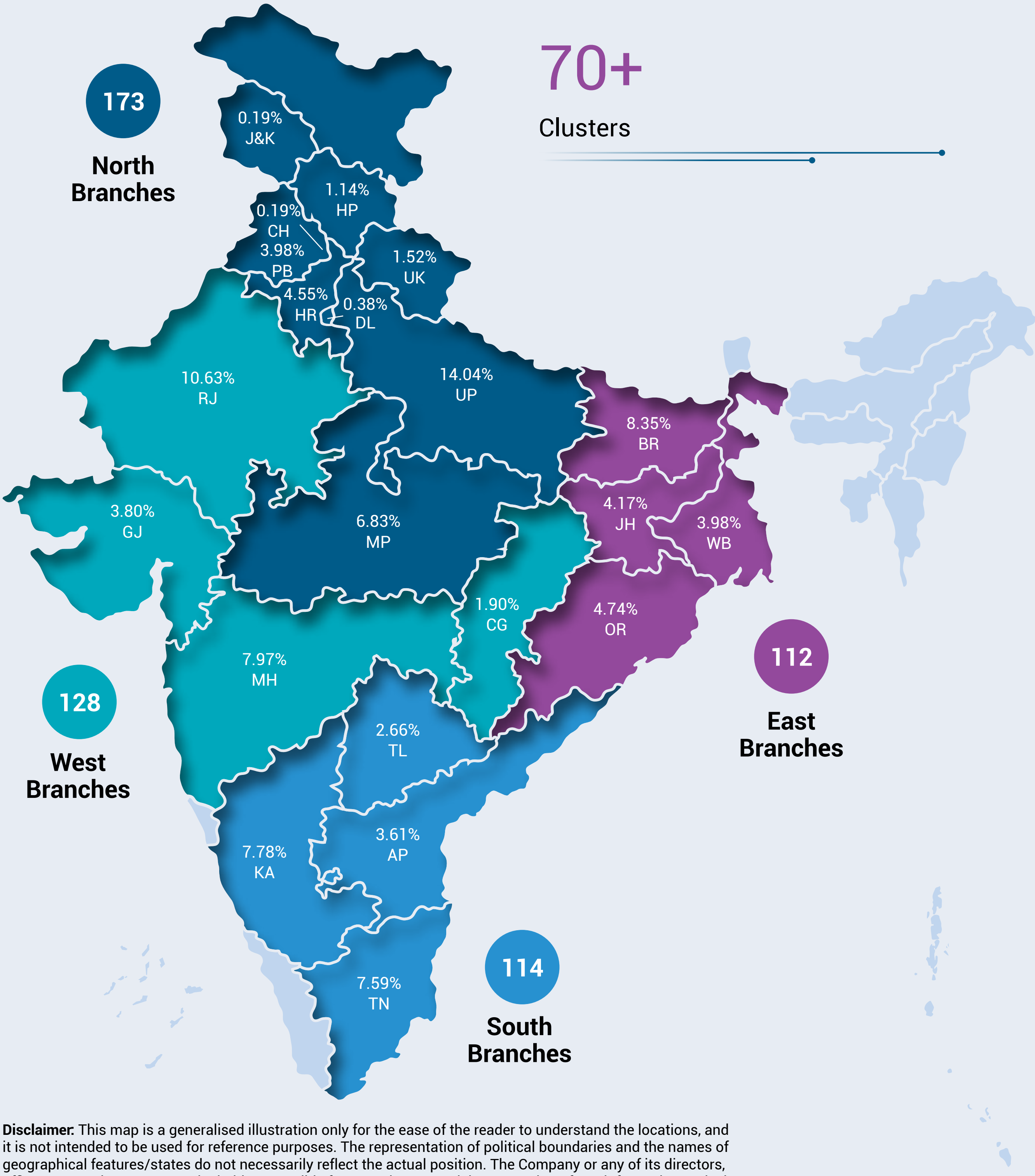
Districts

527

Branches

70+

Clusters



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Highlights of the Fiscal

Tracking Impact, **Driving Outcomes: 2024-25**

Performance

We consistently deliver strong financial performance, showcasing steady growth and operational resilience, solidifying our leadership in the financial services sector.

₹ 1,460 Crores
Revenue from Operations

₹ 171 Crores
Profit After Tax

1.40%
Net NPA

11.64%
Return on Equity

2.98%
Return on Asset (After Tax)

₹ 5,534 Crores
Assets Under Management

Ranked amongst top10
4th year in a row

Great Place To Work® Certified 2024 INDIA™

“Best Companies to Work for in India”

People

We place our people at the heart of our success, fostering a culture grounded in respect, continuous learning, and empowerment; one where every individual thrives and contributes with purpose.

9,000+
Total Employees

1,00,000+
Total Client Additions

49
Total Branch Additions

4,50,000
Total Employee Training Hours

Social Performance

We believe that our operational stability is an outcome of our commitment to planet preservation, a foundation for long-term sustainability and societal well-being.

AYE FINANCE SOCIAL DASHBOARD

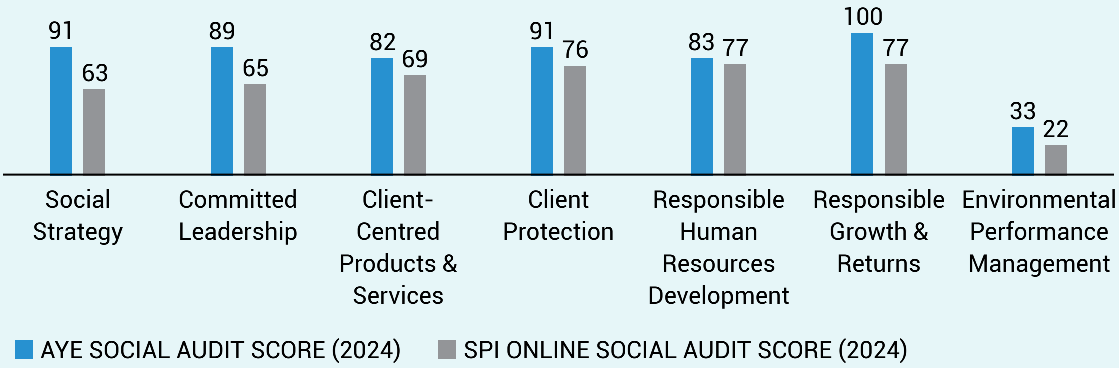
Aye Finance Ltd.	**India**	**For Profit**
Non-Banking Financial Institution	2014–2024	As of date: December 31, 2024
		Audited By: CERISE+SPTF

81%
Aye's Social and Environmental Score

64%
Average Audit Score of Other Organisations

Across all seven dimensions of the Universal Standards, **Aye's score exceeds the average benchmark** from 99 social audits conducted via SPI Online.

Aye vs. Global Benchmarking By Dimension



Note: Average Benchmark is based on the CERISE database of 99 audits done until September 2024 (n = 99)

CERISE, a French nonprofit + SPTF (Social Performance Task Force) is a joint initiative of two leading global organizations dedicated to social and environmental performance management.

Investment Case

Harnessing Capabilities, Creating Value

We are uniquely positioned to lead the next phase of expansion in India's credit ecosystem driven by our deep expertise in small-ticket MSME financing. With a well-rounded portfolio of products, strong on-ground reach, proprietary credit assessment models, and a technology-led, highly scalable platform, we operate where high-impact financial inclusion meets sustainable profitability. Supported by seasoned professionals and notable investors, we represent a differentiated investment opportunity in one of the most underpenetrated and fast-growing segments of the market.

1 Prominence in MSME Lending

- One of the few NBFCs with a full suite of secured and unsecured MSME products
- Focussed on India's largest yet emerging micro-enterprise segment
- Backed by deep insights on informal credit behaviour and needs
- Enables financial inclusion at scale with purpose-driven credit delivery

2 Large Addressable Market with Significant Credit Gap

- Serving a ₹ 50 Trillion+ credit gap in the micro business space
- Targeting a segment often overlooked by traditional lenders
- Leveraging a scalable model to tap into high-growth clusters
- Ensuring strong potential for continued expansion across underpenetrated geographies

3 Comprehensive Product Suite

- Tailored offerings for diverse MSME financing needs, secured and unsecured
- Enabling loans against property, asset hypothecation, and working capital
- Solutions suited for traders, manufacturers, services, and agri-allied businesses
- Built for flexibility, relevance, and strong credit demand alignment

4 Pan-India Footprint with Deep Local Penetration

- Presence in 387 districts across 18 states and 3 union territories
- 500+ branches enabling proximity to customers and business clusters
- Geographically balanced AUM minimises regional concentration risks
- Only NBFC in this segment with such a broad and diversified national reach

5 Data-Driven Cluster-Based Underwriting

- Proprietary underwriting model based on 70+ MSME clusters
- Evaluating business health through cash flows, asset cycles, and cluster dynamics
- Building on years of field learning and behavioural data at the grassroots level

6 Scalable 'Phygital' Operating Model

- Combining physical network strength with digital capability
- Cloud-first architecture ensuring rapid scale-up with minimal capex
- Digital systems, including loan origination, credit, collections, and HR
- Delivering both personalised service and operational agility

7 Strong Asset Quality and Collection Efficiency

- Multi-tiered collections supported by predictive data models
- Low Stage 2 asset ratio among peer MSME-focussed NBFCs
- High automated clearing house adoption for disciplined repayment behaviour
- Proactive engagement through reminders, voice bots, and field staff

8 Diversified Funding Base with Cost Efficiency

- Access to 80+ lenders, including banks, DFIs, and global institutions
- Well-balanced liability mix with term loans, NCDs, and ECBs
- Proven ability to secure cost-effective capital even in volatile markets
- Consistently improving credit ratings support future fundraising

9 High Customer Retention and Rapid Growth Trajectory

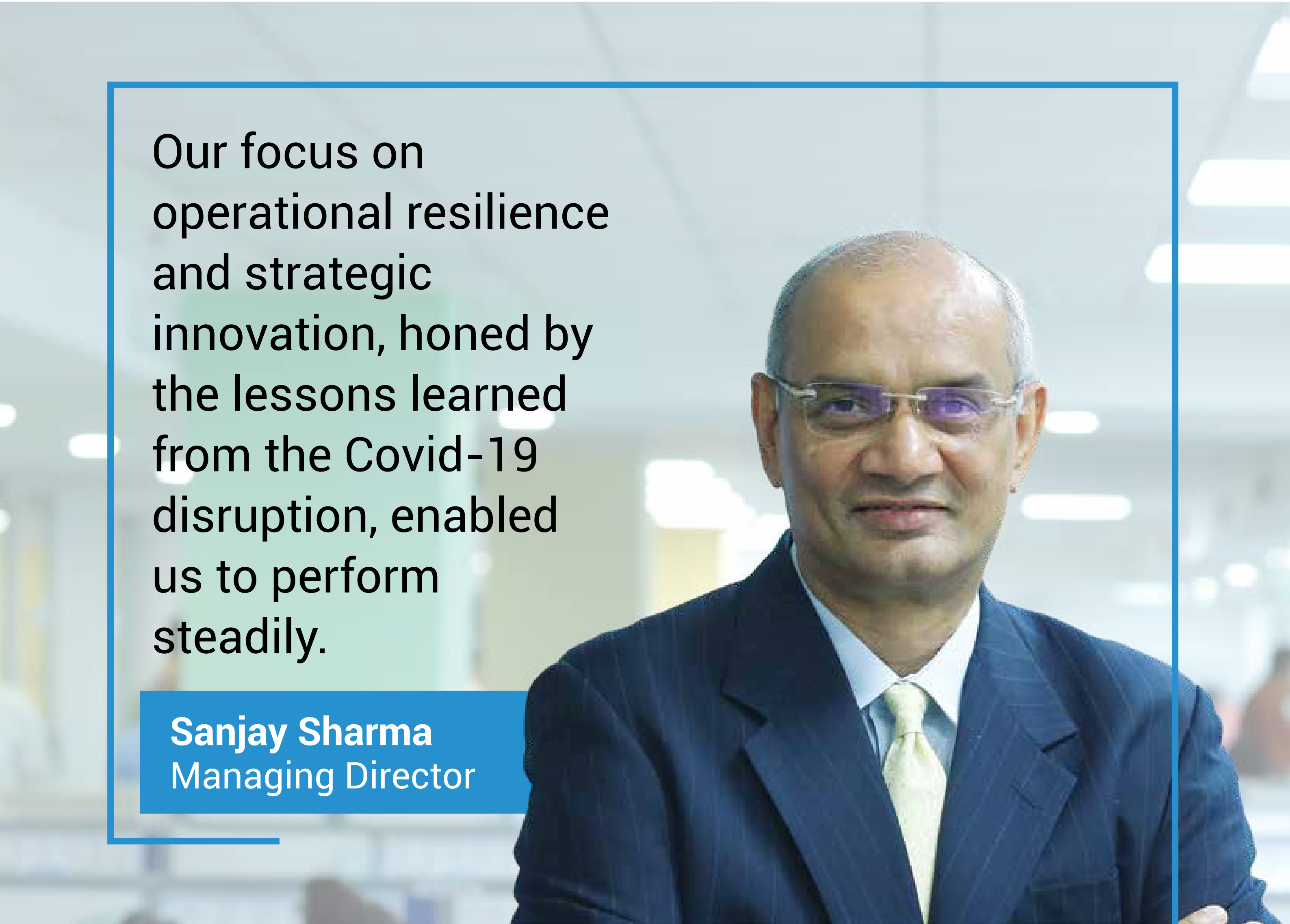
- Customer base grew 2.6x over two years, reflecting strong demand
- Repeat customer rate supported by relationship-led approach
- Branch and employee productivity among the highest in the segment
- Rapid AUM growth with robust credit discipline

10 Experienced Leadership and Strategic Governance

- Guided by an Independent Chairperson along with seasoned professionals from top-tier financial institutions
- Visionary founder with strong domain expertise and execution acumen
- Leadership combining operational depth with technological foresight
- Backed by distinguished investors aligned with long-term value creation

Management Message

Managing Director's **Statement**



Our focus on operational resilience and strategic innovation, honed by the lessons learned from the Covid-19 disruption, enabled us to perform steadily.

Sanjay Sharma
Managing Director

Dear Stakeholders,

The year 2024-25 started with considerable euphoria across lending markets and ended with the sobering realisation that is inevitable for an overheated lending market.

Our focus on operational resilience and strategic innovation, honed by the lessons learned from the Covid-19 disruption, enabled us to perform steadily. Even as the broader Indian financial services sector grappled with tightening liquidity, heightened credit costs, and persistent global macroeconomic headwinds, we were able to maintain profitability in every quarter and delivered a post-tax ROA of 3% and AUM growth of 24%. Such difficult years establish our credentials as a differentiated, resilient, and innovation-driven financial institution.

Differentiated by Design

We are a specialised NBFC with an unrelenting focus on micro-scale MSME businesses, built on the pillars of data intelligence-led underwriting, a distributed branch presence, and a professional operating culture.

Our product line covers the needs of small hypothecation loan for working capital, as well as mortgage loans for larger capital needs of our target business customers. This product market fit has ensured robust business growth while ensuring high level of customer loyalty. This was visible once again in 2024–25, a period marked by rising competition in most of the lending industry.

One of the learnings from the Covid-19 disruption, was the need for a higher product mix for longer tenured mortgage loans. This strategic focus has started showing encouraging outcomes. The proportion of mortgage backed loans in our portfolio has increased in the last 2 years to 14.72% from 1.86%. On the back of this conscious shift towards more secured, asset-backed lending, our secured loans mix has become 57.33% as of March 31, 2025. The remaining portfolio continues to be partly secured through hypothecation of business assets.

Growth with Stability

We continued to deliver strong growth while upholding financial discipline. Our Assets Under Management (AUM) grew by 24%, with profits increasing to ₹ 10 Crores driven by prudent cost control and risk-calibrated expansion.

We too were affected by the repayment stress that has arisen from the over lending in our adjacent market segments. However, our disciplined underwriting built on expertise in assessing business incomes of a wide range of business clusters has partly insulated us from the lending euphoria and has helped us maintain good profitability. Our gross NPA has risen to 4.21% from 3.19% in the previous year. We have prudently maintained a 67.56% provision coverage to stabilise our trajectory of consistent profits, good growth and responsible sustained lending. This has stabilised our net NPA at 1.40%.

Innovation in Key Processes

Innovation continues to be a defining force across our business. It spans the way we deploy technology, data science models, in achieving strategic objectives. Last year, we focussed significantly on innovating key processes to make them cost-effective and better equipped to address market challenges. Refinement of machine learning models for straight through underwriting, predictive models for repayment bounce propensities and intelligent early warning for preventing fraud losses are some of the deployments that have helped us improve our operating effectiveness and make our processes more resilient to risk impacts.

Building an Empowered Team

The year also saw many initiatives on acquiring and retaining talent. We opened 49 new branches and built up a multi-state organisation for lending to MSME business. These are expected to power our growth in the coming year.

Initiatives on learning and development, reward and recognition have ensured high levels of engagement with employees and has earned us consistent ranking as a Great Place to Work.

Environmental, Social, and Governance

As we catalyse the micro scale businesses across the towns in India, we are also committed to sustainability and responsible business. We are actively embedding ESG principles across our operations: from reducing our environmental footprint through energy-efficient practices, to fostering a diverse, inclusive, and safe workplace. Our governance standards continue to set the benchmark for transparency, accountability, and ethical conduct. These efforts are not just aligned with global expectations; they are central to how we create enduring value for all stakeholders.

A Future Shaped by Leadership and Resilience

India's MSME landscape is poised for transformation. With greater formalisation, rising digital penetration, and increasing policy support, the need for specialised financial institutions has never been greater. As one of the few players focussed exclusively on micro scale enterprises and with a proven model that blends technology, trust, and talent, we are strongly positioned to benefit from the next phase.

As we move into 2025-26, we do so with confidence in our strategy, and commitment of our team to continue to execute plans with efficacy.

Thank you for your continued trust and belief in our journey.

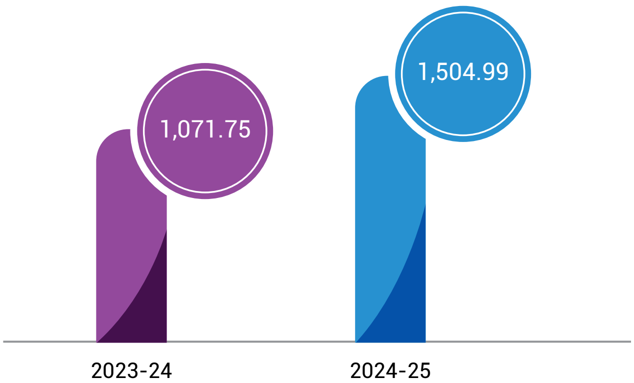
Best Regards,

Sanjay Sharma
Managing Director

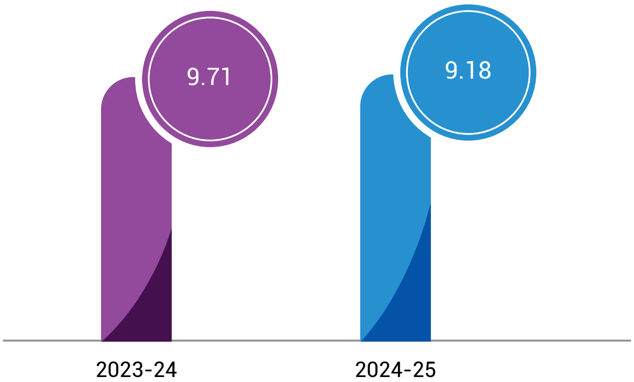
Performance

Financial Overview

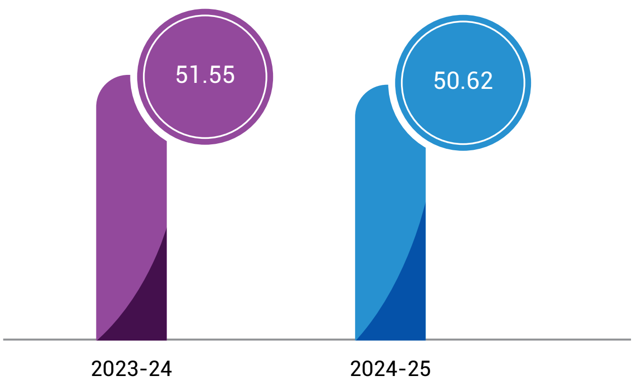
Revenue
(₹ in Crores)



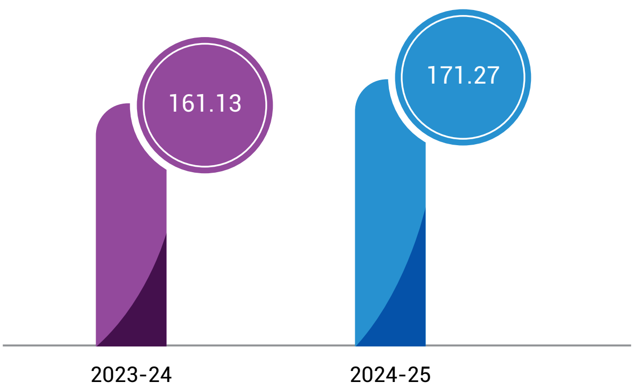
OER
(%)



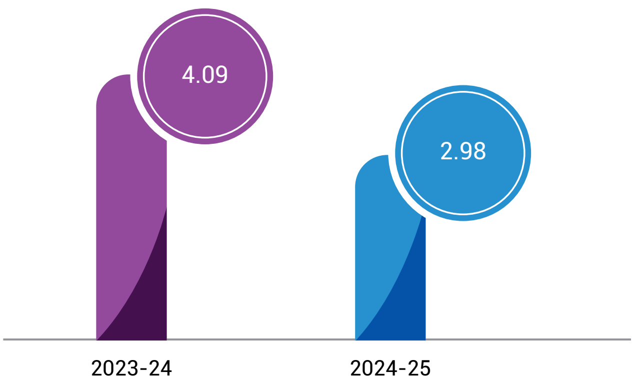
Cost to Income
(%)

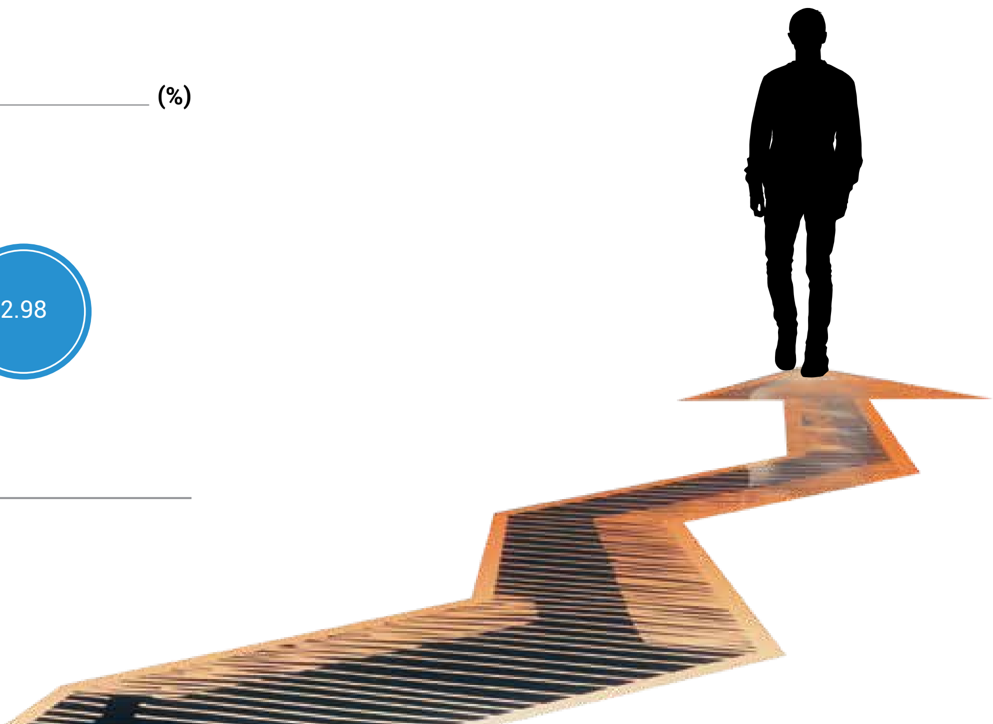


PAT
(₹ in Crores)



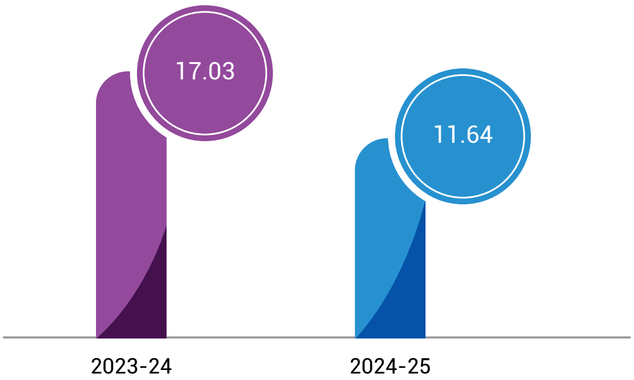
ROTA
(%)





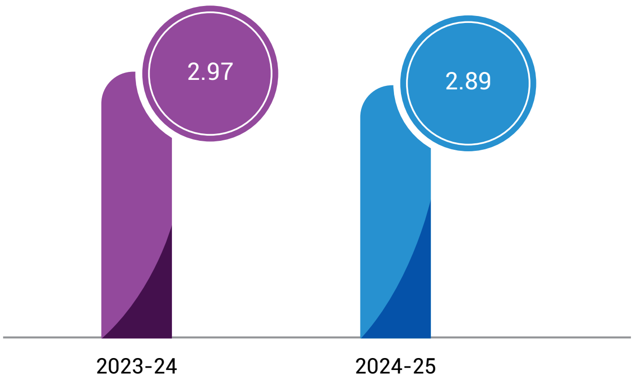
ROE

(%)



D/E

(in Ratio)



Credit Rating

A (Stable)

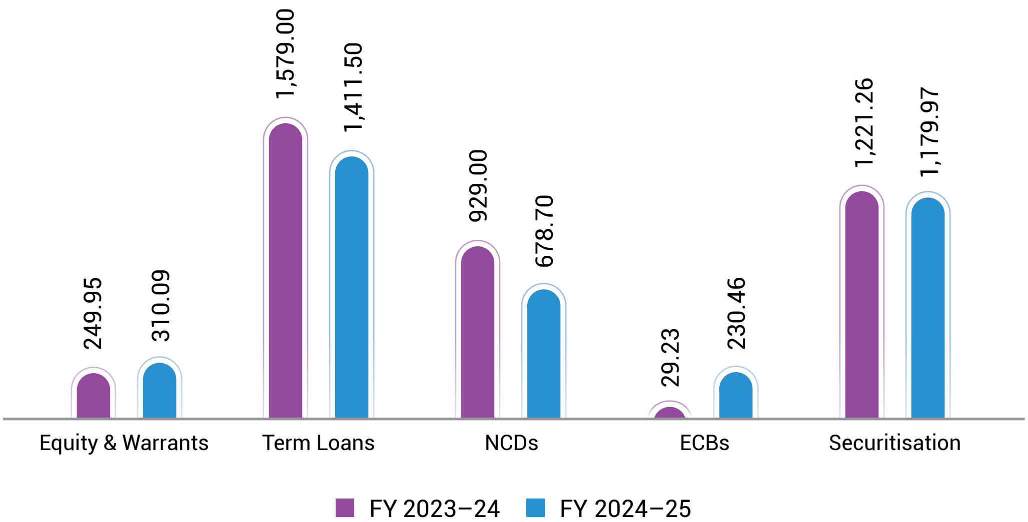
Rating by ICRA

IND A/ Stable

Rating by India Ratings & Research

Funding Profile

INCREMENTAL FUNDING ANALYSIS (₹ Crores)



Strategies

Charting Strategy, Sustaining Growth

Our strategy is centred on expanding market presence, enhancing operational efficiency, and strengthening long-term portfolio resilience. We are pursuing targeted initiatives across product, technology, people, and partnerships to enable sustainable growth and deliver lasting value.

Deepening AUM Per Branch through Targeted Penetration

Our average AUM per branch has steadily improved, supported by deeper customer engagement and increased productivity. The substantial credit gap in micro-enterprises offers a significant opportunity for growth, which we are well-positioned to capture through our expansive presence and diversified product suite. As newer branches mature, overall branch performance is expected to rise, contributing to greater portfolio strength.

Key Initiatives

- Strengthening customer retention by converting existing customers to higher-value repeat loans
- Offering higher-ticket secured loans to qualified customers to improve per-customer contribution

Way Forward

- Maximising the productivity of existing branches
- Enhancing operational efficiency
- Deepening customer engagement to drive AUM growth in a sustainable and capital-efficient manner

Expanding Our Mortgage Loan Portfolio for Stability and Profitability

We are strategically increasing the share of mortgage loans in our overall portfolio to improve asset quality, profitability, and tenure diversification. The mortgage portfolio grew from 8.33% as of March 31, 2022 to 14.71% as of March 31, 2025. By establishing a specialised channel to originate mortgage loan at our branches, we have assimilated a portfolio that is resilient and targets long-term, sustainable profitability.

Key Initiatives

- Building specialised mortgage teams within established branch networks
- Combining open-market customer sourcing with cross-selling to existing hypothecation loan customers

Way Forward

- Continue expanding mortgage portfolio share to improve asset mix and profitability
- Leveraging tenure diversification to build a more resilient and sustainable loan portfolio

Leveraging Technology, Data Science and AI to Drive Productivity and Scale

We are leveraging advanced technologies and data science to drive efficiency, accuracy, and scalability across our operations from underwriting and collections to customer service. Our digital-first strategy is focussed on enabling sharper decision-making, streamlining processes, and elevating customer experience, all the while optimising our cost-to-serve.

Key Initiatives

- Enhancing credit scoring and underwriting models using surrogate and cluster-level data
- Using geo-location analytics to strengthen collections and improve traceability
- Undertaking digital-first initiatives for seamless customer onboarding, service, and repayments

Way Forward

- Strengthening data-led decision-making to enhance risk management and customer outcomes
- Building a robust, scalable technology backbone to support future growth and innovation
- Adopting image recognition for faster, automated document verification

Improving Operating Leverage through Efficiency and Process Optimisation

We are committed to enhancing operational efficiency and streamlining cost structures through a combination of staff productivity improvements, increased automation, and a sharper product focus. These efforts are designed to drive sustainable growth while preserving a lean and agile operating model.

Key Initiatives

- Improving the output of loan officer and credit team, enabled by process automation and targeted training
- Deploying intelligent automation tools to streamline workflows and minimise manual tasks across customer lifecycle

Way Forward

- Continuing investing in staff capability and performance management systems
- Expanding automation across more operational functions to scale efficiently

Optimising Borrowing Costs and Diversifying the Lender Base

We continue to focus on optimising our borrowing mix and lowering our cost of funds to support scalable and sustainable growth. Through strategic lender relationships, disciplined ALM management, and selective co-lending partnerships, we aim to maintain financial flexibility while safeguarding balance sheet strength.

Key Initiatives

- Leveraging strong and diversified lender base with over 80+ active counterparty relationships across private banks, public sector banks, NCD investors, and external commercial lenders
- Maintaining a healthy cost of borrowing, supported by robust asset quality and consistent performance

Way Forward

- Continuing diversification of funding sources to reduce dependency on any single channel
- Strengthening credit profile to access capital at more competitive rates
- Scaling up co-lending partnerships to broaden access and reduce risk
- Prioritising long-tenor borrowings to support stability and sustainable asset-liability management

Management Discussion and Analysis

Industry Structure and Developments

Indian NBFC Sector Review

NBFC credit growth has consistently exceeded India's GDP growth historically. This trend is expected to continue given their expanding role in the financial ecosystem. Non-Banking Financial Companies (NBFCs) are poised to register credit growth at a CAGR of 15-17% between Fiscal 2024 and Fiscal 2027,

As of Fiscal 2024, over 47% of NBFCs' credit portfolios are concentrated in the retail segment, reflecting a sharp strategic focus on individual borrowers. With a strong presence in rural and semi-urban regions, NBFCs are uniquely positioned to tap into underserved markets, where traditional banks often have limited penetration. Their agility, grassroots connect, and ability to customise offerings have made them a vital enabler of financial inclusion, especially for those in the informal sector and those lacking formal credit histories. MSMEs, in particular, benefit from NBFCs' more flexible approach. Due to constraints like insufficient documentation or collateral, MSMEs often struggle to access bank credit. NBFCs bridge this gap by providing tailored financing solutions that support their working capital and expansion needs.

Between Fiscal 2019 and 2024, NBFC credit grew at an estimated CAGR of 12%, demonstrating strong recovery and resilience despite macroeconomic challenges. Looking ahead, the expected economic revival in Fiscal 2025 is likely to spur consumer demand, further accelerating credit offtake. According to CRISIL MI&A, retail lending and MSME-focussed wholesale credit will remain the key growth drivers of NBFC portfolios over the next three years, solidifying their role as critical financial intermediaries in India's evolving credit landscape.

(Source: https://www.reuters.com/world/india/indias-rbi-announces-mega-10-billion-fx-swap-infuse-rupee-liquidity-2025-02-21/, https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-companies-look-to-hike-health-premiums-as-pollution-stings/articleshow/118445289.cms?from=mdr)

Indian MSME Sector Review

India is home to over 63.4 Million Micro, Small, and Medium Enterprises (MSMEs), with micro-enterprises alone making up nearly 63 Million, as per the NSO survey conducted in 2016-17 and cited in the Ministry of MSME's annual report. By Fiscal 2022, the total number of MSMEs in the country was estimated to have reached approximately 70 million. The sector plays a pivotal role in India's socioeconomic development by generating large-scale employment, especially in rural and underdeveloped regions, helping reduce regional disparities and supporting a more equitable distribution of income and wealth.

As of November 11, 2024, micro-enterprises accounted for 97.4% of all registered MSMEs, while small and medium enterprises represented 2.4% and 0.2%, respectively. Maharashtra leads the country with the highest number of registered MSMEs at 16%, followed by Tamil Nadu

and Uttar Pradesh, each contributing 10%. MSMEs currently contribute around 29.2% to India's GDP, and the government aims to increase this share to 40–50% by Fiscal 2030. However, the sector continues to face a significant credit gap, with unmet demand estimated at ₹ 103 Trillion. India's MSME sector continues to face significant barriers to accessing formal credit. High risk perception, coupled with the prohibitive cost of physically delivering financial services, has historically limited the ability of formal institutions to cater effectively to this segment. As a result, large sections of self-employed individuals and micro, small, and medium enterprises remain underserved by the formal lending ecosystem.

According to an IFC report titled Financing India's MSMEs (November 2018), total credit demand from the MSME sector stood at ₹ 69.3 Trillion in FY 2017, with a credit gap, defined as the shortfall between demand and the credit supplied by formal lenders estimated at ₹ 58.4 Trillion. After adjusting for MSMEs that are newly established, commercially unviable, or those that voluntarily opt for informal credit sources, the addressable credit demand was pegged at ₹ 36.7 Trillion. These informal sources such as moneylenders, chit funds, or personal networks, typically charge exorbitant interest rates ranging from 36% to 60% per annum. The situation worsened in subsequent years, particularly due to slower economic growth in FY 2020 and the widespread disruption caused by the Covid-19 pandemic in FY 2021. Lockdowns significantly impacted MSMEs' working capital cycles, demand visibility, supply chains, and investment plans, further widening the credit gap.

Government Initiatives

The Government of India has launched several initiatives to strengthen the MSME ecosystem, promote formalisation, and improve credit access. The Udyam Assist Platform (UAP), launched in January 2023, has enabled over 19 Million informal enterprises to register and access formal credit and regulatory benefits. The SARFAESI Act threshold relaxation and expansion of the Credit Guarantee Fund Scheme (CGTMSE) have empowered NBFCs to manage stressed assets and offer collateral-free loans to micro and small businesses. The inclusion of retail and wholesale trade under the MSME definition has extended financial benefits and priority lending access to these sectors. Flagship schemes like PMEGP and Stand-Up India promote self-employment and entrepreneurship among women and marginalised communities. The Pradhan Mantri Mudra Yojana (PMMY) provides affordable, collateral-free loans for different stages of business growth. Platforms like the 59-Minute Loan Portal streamline credit approvals, while TreDS and the Factoring Regulation (Amendment) Bill improve working capital access through invoice financing. Additionally, Make in India positions MSMEs at the centre of India's manufacturing growth, and UPI 2.0 drives digital payment adoption. Together, these initiatives foster a more formal, credit-accessible, and digitally empowered environment for MSMEs across the country.

Our Product Range

Hypothecation Loan

We offer hypothecation loans tailored to meet the diverse financing needs of micro-enterprises in India and are ideal for short-term business requirements such as inventory procurement, wage disbursement, minor renovations, or working capital needs. These loans are structured around the hypothecation of movable assets, allowing businesses to raise capital while retaining ownership and operational use of the asset. This model promotes financial inclusion by providing timely credit to enterprises that often operate outside the formal credit ecosystem. We also extend unsecured hypothecation loans, designed to support micro-enterprises that may lack high-value collateral but still possess tangible working assets. By evaluating overall business viability and repayment capacity, we provide these entrepreneurs with essential access to credit.

Mortgage Loan

We provide mortgage loans to support micro-enterprises, secured by immovable property as collateral. These loans enable access to higher loan amounts and longer repayment tenures, making them well-suited for a range of business needs such as purchasing machinery or livestock, refinancing existing debt, or funding expansion plans. Our mortgage loan solutions reflect our broader commitment to financial inclusion and the sustainable growth of micro businesses across India.

'Saral' Property Loan

'Saral' Property Loans are designed for clients who are willing to mortgage their property but may not have a perfect title to create a formal charge. This loan product addresses such limitations while enabling customers to meet their working capital or asset purchase requirements. Loan amounts are fully secured through a combination of property collateral and a hypothecation contract covering working assets, finished goods, and machinery.

Shakti Loan

Shakti Loans is designed to bridge the funding gap faced by women micro-entrepreneurs operating in sectors such as services and job work. Despite playing a vital role in the economy, women-owned micro-enterprises often struggle with systemic barriers, particularly limited access to formal credit. This product is tailored to address these challenges by providing timely and adequate financing, empowering women entrepreneurs to scale their businesses and realise their full growth potential.

SwitchPe

We operate SwitchPe, a dedicated supply chain finance platform designed to empower micro and small enterprises by providing seamless access to unsecured credit lines. Built to address the unique needs of India's small business ecosystem, SwitchPe offers a simple, intuitive user experience that enables shop owners to browse products, place orders, and manage payments with ease. Users also benefit from features such as cashbacks on timely repayments, no joining fees, paperless onboarding, a 14-day interest-free period, and flexible repayment options.

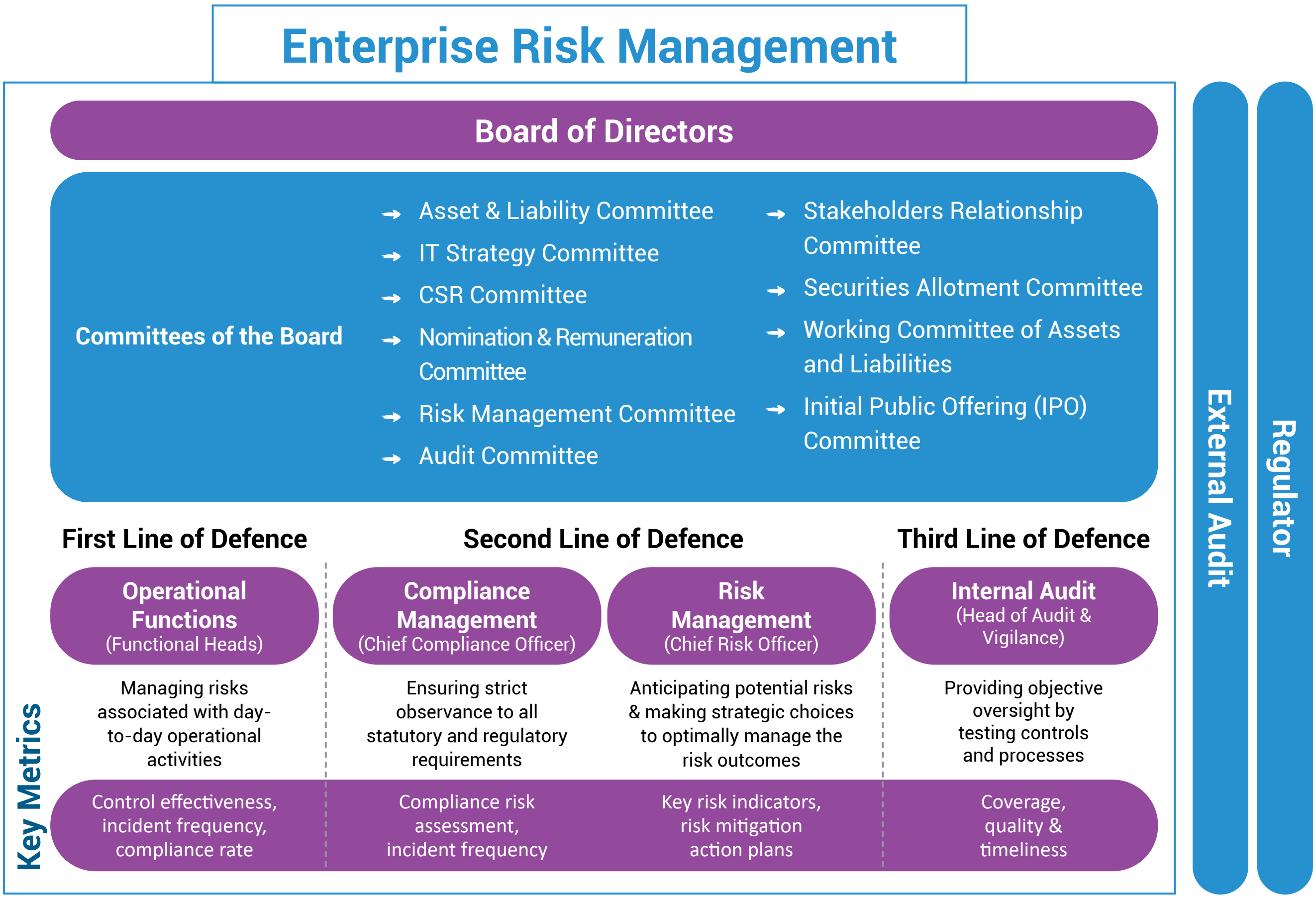
Outlook

Aye Finance is well-positioned for sustained growth as it continues to bridge the vast credit gap faced by India's micro and small enterprises. With a decade of experience and a data-driven approach to underwriting, the Company is deepening its reach into semi-urban markets, segments traditionally underserved by formal financial institutions. The Company's continued investment in digital platforms is enhancing efficiency, reducing turnaround times, and improving customer experience. As Aye expands its footprint and product offerings, it remains focussed on maintaining strong asset quality and operational discipline. Backed by robust institutional support and a scalable business model, Aye Finance is poised to play a significant role in enabling financial inclusion and driving grassroots entrepreneurship across India.

Risk Management

Our comprehensive risk management framework is designed to proactively anticipate challenges within the micro-enterprise sector and respond with agility, thereby safeguarding our reputation and financial stability. As the landscape of micro-MSME financing continues to evolve, it is imperative to engage in continuous monitoring and adaptation to maintain resilience and promote financial inclusion. By systematically identifying, assessing, and mitigating potential risks, we not only fortify our portfolio and ensure compliance with regulatory standards but also enhance the robustness of our strategic decision-making processes.

Our risk management framework is anchored by our ICAAP policy, third-party risk monitoring, and quarterly reviews of Key Risk Indicators. These mechanisms allow us to continuously identify, assess, and address key risks, ensuring that we take timely actions to keep risks within acceptable limits while making informed decisions aligned with our strategic goals.



The major types of risk we face in our businesses are credit risk, portfolio concentration risk, market and strategic risk, money laundering risk, operational risk, IT and cyber risk, and compliance risk.

Type of Risk	Risk Description	Mitigation Strategy
Credit Risk	The potential for financial losses due to a decline in the creditworthiness of borrowers.	› Adoption of industry cluster-based underwriting practices › Robust pre-disbursal verification and post-disbursal monitoring › Deployment of data science and AI-driven tools for credit evaluation
Portfolio Concentration Risk	Exposure to credit risk arising from a disproportionate concentration in specific industries, segments, geographies, or locations.	› Ensuring diversification of credit portfolios across industry segments and geography › Regular review of exposure limits by geography and sector
Market & Strategic Risk	Threats to earnings and capital resulting from delayed or ineffective responses to market shifts or strategic missteps.	› Implementation of a structured strategic planning process › Use of competitive benchmarking for decision-making › Regular strategic reviews involving key leaders from across the Company
Money Laundering Risk	The risk of the institution being misused for illegal activities such as drug trafficking, terrorist financing, or other financial crimes.	› Adoption of a risk-based approach to client assessment › Continuous monitoring of financial transactions › Rigorous customer due diligence processes › Comprehensive internal control system › Backup procedures and contingency planning

Type of Risk	Risk Description	Mitigation Strategy
Operational Risk	Risks arising from failures in internal systems, processes, people, or external events that disrupt business operations.	› Strong fraud prevention and management practices › Adequate insurance coverage › Defined standard operating procedures (SOPs) › Periodic internal audits
IT & Cyber Risk	Risks related to system failures, unauthorised access, data breaches, or disruptions to IT infrastructure or services.	› Continuous cybersecurity surveillance › Crisis management protocols › Regular IT risk assessment audits › Robust business continuity and disaster recovery planning › Stringent access controls
Compliance Risk	Risk of legal or regulatory penalties and reputational damage due to non-compliance with applicable laws and standards.	› Continuous tracking of regulatory changes and compliance requirements › Strengthening internal controls over financial reporting › Leveraging external expertise for compliance guidance
Reputational Risk	Risk of adverse public perception from customers, regulators, investors etc.	› Employee training on Fair Practices Code › Grievance Redressal Mechanism › Proactive customer service team › Monitoring third-party interactions
Interest Rate Risk	Risk of earnings impact due to changes in market interest rates.	› Pricing loans to account for interest rate risk assessed at the time of deciding rates to be offered to customers
Liquidity Risk	Risk of failing to meet financial obligations when due	› Board-approved ALM policy and ALCO oversight › Sufficient liquidity maintenance under normal and stressed conditions › Forecasting inflows/outflows and funding needs › Diversified liability mix to ensure healthy ALM pattern

Technology

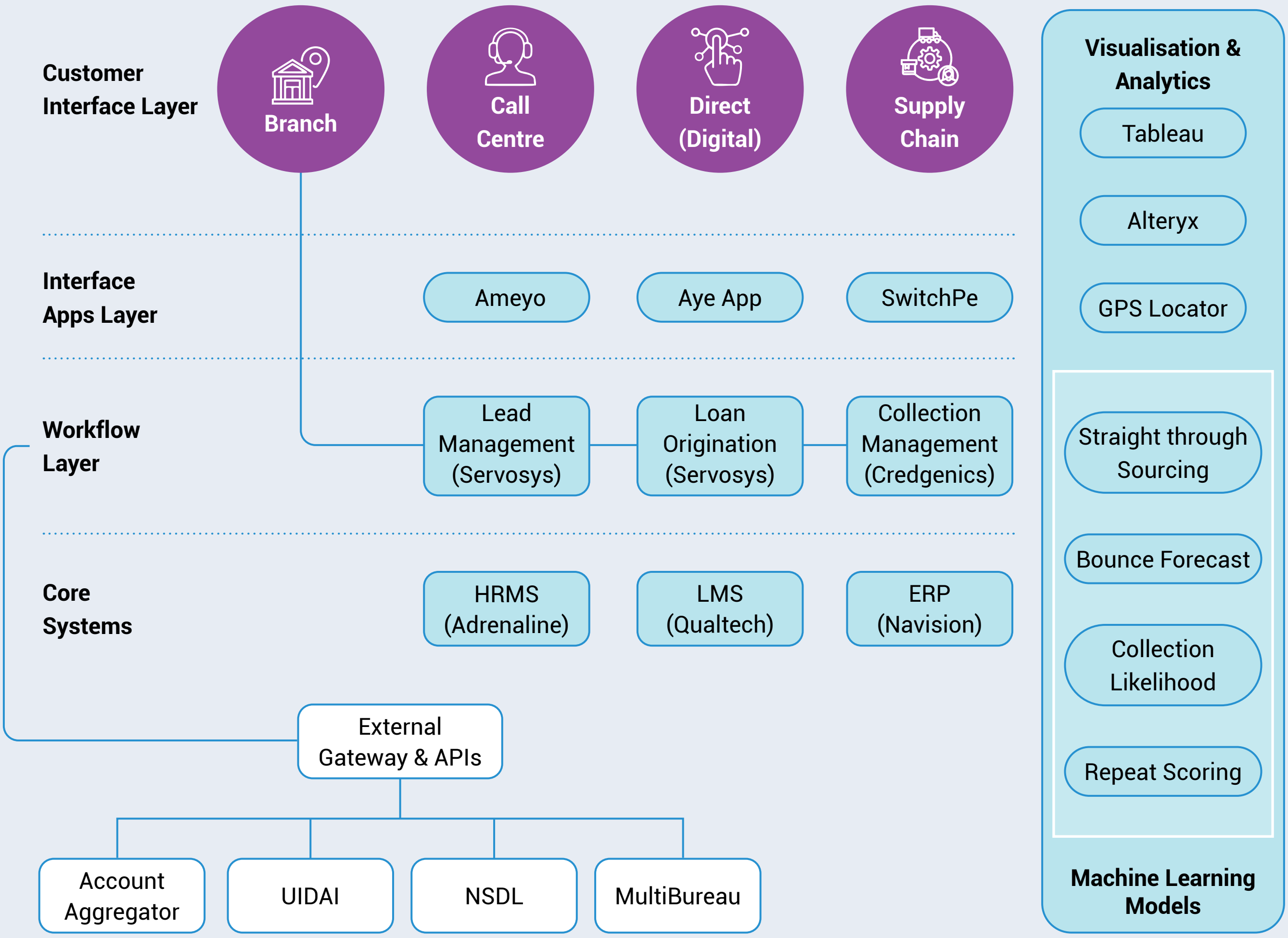
Driving Innovation, **Empowering Businesses**

At Aye Finance, technological capability forms a core pillar of our success, enabling us to drive advancement and improve operational efficiency. By embracing cutting-edge solutions and staying ahead of industry trends, we ensure that our services are both scalable and adaptable. Our team of experts is dedicated to integrating advanced technologies across all aspects of our operations, building seamless workflows that enhance performance and deliver measurable value to clients. Through continuous digital evolution, we remain at the forefront of financial inclusion, providing smarter, data-driven solutions to small businesses across India.

Robust, Scalable Technology Backbone

We operate on a cloud-based, modular technology stack that ensures scalability with minimal capital outlay. Core systems such as LMS, LOS, CMS, HRMS, and ERP are fully integrated to create a unified digital backbone across all business functions. Workflow automation, powered by ServoStream, drives operational efficiency across mobile and web platforms, streamlining customer journeys from origination to repayment.

Our Technology Stack



Enhancing Reach with 'Phygital' Precision

Our branch-led 'phygital' model blends high-touch field engagement with robust digital infrastructure to deliver scale and efficiency. With a presence across 18 states and 3 union territories, our 527-branch network is powered by seamlessly integrated technology that spans the entire credit lifecycle: from sourcing and underwriting to disbursement and collections. This enables us to efficiently manage small-ticket loans, enforce timely operational controls, and maintain high service quality.

Driving Smarter Credit Decisions with AI/ML

We leverage AI/ML models across the credit lifecycle to strengthen underwriting, enhance risk assessment, and support repeat lending.

For New Applicants

We use a two-stage approach, an automated bureau-screening engine followed by a credit scoring model that predicts default risk.

For Existing Customers

We use models that assess repayment behaviour, including bounce likelihood, early recovery, and delinquency-stage outcomes.

All models are trained on diverse, anonymised data and undergo rigorous validation to ensure fairness, accuracy, and compliance. Human oversight and continuous performance monitoring are embedded to maintain responsible and transparent AI usage.

Our Technology Impact

100%
Paperless Loan Sanctioning

97.43%
Digital Signing of Loan Disbursements

100%
Cashless Disbursements

91%
Customers Registered on NACH

100%
Automated Repayment Receipts

70+
Business Clusters with AI-driven Underwriting

32%+
Straight-through Processing using Data Science Scores

Empowering Customers through a Seamless Digital Experience

Our customers benefit from a dedicated mobile application, offered free of charge, designed to provide a seamless, intuitive, and self-directed experience. This digital platform serves as a one-stop solution for micro business owners to manage their financial journey with ease. Through the app, users can view and manage loan accounts, track repayments, apply for repeat loans, review transaction history, and access customer support, all at their fingertips. The mobile application serves as a vital tool in deepening customer engagement, supporting financial literacy, and ensuring uninterrupted access to our services, even in remote and underserved regions.

Sales and Distribution

Bridging Distances, **Empowering Bharat**

Our sales and distribution framework is designed to deliver deep reach, seamless access, and consistent customer experience across physical and digital channels. We follow an omni-channel strategy that integrates high-touch relationship management with scalable technology solutions to effectively serve micro-enterprises across India.

Hi-Touch and Hi-Tech

Our distribution model is built on a 'High-Touch, High-Tech' approach, wherein our branch-led presence fosters strong community relationships, trust, and personalised service. This is seamlessly integrated with digital platforms that enhance visibility, accessibility, and convenience for customers.

Our branch network plays a critical role in ensuring last-mile access to financial services. It enables on-ground collections support, leading to better delinquency control and sustained asset quality. It also facilitates the inclusion of underserved and financially excluded MSMEs into the formal credit system.

No Outsourcing of Loan Origination

We operate a fully in-house sourcing model, with zero reliance on third-party Direct Selling Agents (DSAs). This provides greater control over quality customer acquisition. Direct customer sourcing through our in-house sales force results in lower churn and improved portfolio stability. This also ensures that we maintain foreclosure rates below 3% and enjoy a healthy demand for repeat loans.

Geographic Growth and Reach

Our loan book is diversified across all four regions and spans multiple states. None of the states accounts for over 15% of our portfolio, and the top four states together constitute less than 40% of our AUM. Our year-on-year AUM increase underscores the depth of our market penetration and the strength of customer confidence.

Balancing Reach and Efficiency

Our branch-led distribution model has evolved into a highly efficient engine that not only facilitates customer servicing but also generates local insights into business ecosystems and lending potential. This insight allows us to:

- Make data-driven decisions on geographic expansion
- Maintain service quality while scaling rapidly

Lead Generation and Marketing

We drive demand through branch-led outreach that deepens community engagement and reinforces brand, supported with targeted digital marketing, particularly on platforms like Facebook to acquire new customers and strengthen our footprint in high-potential regions.

People Management

Delivering through Engaged Team

At Aye Finance, we believe that empowered people build extraordinary businesses. Our HR philosophy continues to prioritise learning, inclusion, recognition, and care, ensuring each Ayetian thrives personally and professionally. In 2024, our efforts further strengthened the foundation of a high-performance, people-first culture, earning us recognition as one of Asia's Best Large Workplaces and a top-ranked employer by Great Place to Work (GPTW).

Learning as a Lifestyle

In 2024, we invested 450K hours in employee learning, blending 76K hours on our Integrated Learning Management (ILM) platform with 374K hours of instructor-led training.

To immerse prospective employees in our mission, we introduced field visits to customer workplaces for candidates, particularly those in sales and collection roles. These one-to-three visits per hire showcase the transformative impact of our work on communities, enhancing role understanding and societal connection.

Celebrating Our Champions

Recognition remains a cornerstone of our culture. In 2024, we conferred over 6,500 awards, including 2,773 Aye Ka Tara awards, 3,387 Cha Gaye awards, 942 Service Excellence awards, 459 Silver Star awards, 94 Aye Ka Gaurav awards, and the prestigious MAHA Award.

Building Trust and Recognition

Our people-first approach has earned exceptional trust from employees, customers, and investors, as reflected in a 97 Trust Index score in the GPTW 2024 survey. We ranked 6th among the Best Companies to Work For in 2024, were featured in the Top 10 Best Companies for Millennials and BFSIs, and were recognised for Building a Culture of Innovation by All in 2024 by GPTW. Our recognition as one of Asia's Best Large Workplaces in 2024 underscores our commitment to excellence.

Contributing to the Society

At Aye Finance, giving back to society means creating a lasting impact. On the occasion of our Annual Day celebration, 'Rang De Khushiyaan,' we transformed the Gramin Baal Shramik Vidyalay in Agra, a school for underprivileged children supported by our non-profit arm, FAME.

The school was in disrepair, lacking basic facilities. Recognising that poor infrastructure leads to dropouts, over 200 Aye employees volunteered to restore it by painting, repairing and revamping the space, creating a safe and vibrant learning environment. The day also included art, performances, and meaningful interactions, reminding every child that they are seen and valued.

Looking Ahead

As we move forward, our focus remains clear: empower every individual, nurture potential, and foster a culture where every Ayetian can thrive. Because at Aye, people do not just work, they grow, belong, and lead the future.

ESG Commitment

Driving Responsibility, **Shaping Tomorrow**

For Aye Finance, driving sustainability is not a separate initiative. It is a core responsibility we uphold, as we enable financial inclusion and economic empowerment with purpose and integrity. As a responsible financial institution, we are committed to generating long-term value by aligning our business with robust Environmental, Social, and Governance (ESG) principles.

Environmental Commitment

We actively promote responsible lending and operational practices that support resource efficiency and minimise environmental impact. From digitising customer journeys to reducing paper use and enabling remote servicing, our initiatives contribute to a leaner, more sustainable financial ecosystem.

Social Commitment

We are dedicated to fostering an inclusive, equitable workplace and advancing the well-being of our employees and the communities we serve. By extending formal credit to small businesses, we empower entrepreneurship, economic independence, and livelihood generation at the grassroots.

Governance Commitment

We believe sound corporate governance is key to driving efficiency, growth, and long-term success. Our philosophy rests on five principles: conscience, openness, fairness, professionalism and accountability. These values guide every action and decision across the organisation.

Policy and Governance

We have a well-documented ESG Policy that focusses on minimising environmental impacts, promoting resource efficiency, and adhering to pollution control measures such as managing emissions, wastewater, and solid waste. 100% of our sanctions are done digitally, and over 97% of our disbursement documents are signed digitally. We align our practices with both national and international frameworks, including the UN Sustainable Development Goals (SDGs), IFC Performance Standards, and OECD Guidelines, ensuring adherence to global best practices.

We also enforce a strict exclusion list to prevent the financing of socially or environmentally harmful activities, with clearly defined thresholds.

Oversight and Accountability

Our Strategy Team and ESG Committee oversee the implementation of our ESG Policy, ensuring robust governance and accountability across the organisation.

Green Finance Readiness

In August 2024, we conducted a Green Finance Diagnostic Study to evaluate our readiness for green finance. This study helped us identify opportunities to leverage government schemes and classify loans based on their green end-use. **We have actively explored green practices such as biogas and solar energy, and carried out an internal survey to assess relevant government schemes supporting green initiatives.**

ESG Risk Categorisation and Monitoring

We categorise loan applications based on ESG risk levels. Our exclusion list is applied rigorously, and we conduct end-use verification of loans to ensure full compliance with ESG standards. We are committed to strengthening our environmental performance management through:

- **Identifying environmental goals and indicators**
- **Enhancing environmental risk assessment**
- **Recording the environmental impact of client loans and their end-uses**
- **Continuing to explore and develop green finance products for our customers**

Ethics and Compliance Training

We have instituted a comprehensive ethics and compliance programme to ensure that our employees at every level are fully aligned with our Code of Conduct. During 2024-25, 82% of our workforce participated in structured training modules covering regulatory compliance, anti-bribery and anti-corruption practices and responsible lending.

Promoting Diversity and Inclusion

Our governance framework is strengthened by our commitment to building a workplace that reflects diversity in gender, backgrounds, and perspectives. During the year, we launched targeted initiatives to increase the representation of women in leadership roles, introduced mentorship programmes for young professionals from underrepresented communities, and refined our recruitment practices to remove unconscious bias. These steps are designed not only to improve diversity across our workforce but also to ensure equitable career progression opportunities for all employees.

Board Independence and Oversight

We are proud to report that 5 out of 7 members of our Board comprises independent directors. This structure ensures that decision-making is objective, transparent, and in the best interests of all stakeholders. Independent oversight has strengthened our risk management practices, accountability mechanisms, and governance standards. The Board also plays an active role in ESG oversight, regularly reviewing policies and performance to ensure alignment with our long-term vision of sustainable growth.

Whistle Blower Policy

We have a robust Whistle Blower Policy in place, providing employees, customers, and stakeholders with a secure and confidential channel to raise concerns about unethical behaviour, financial irregularities, or violations of Company policy. All complaints are reviewed independently, with strict safeguards to protect whistleblowers from retaliation. A quarterly report of complaints, if any, and their status/ findings of the investigations are placed before the Audit Committee of the Board. This mechanism reinforces our culture of transparency and accountability.

Assessments and Impact Studies

In FY 2024-25 we conducted the Social Audit of our processes using the Universal Standards for Social and Environmental Performance Management Framework (USSEPM). USSEPM covers 7 dimensions of a financial institution's operations.

FAME: Bridging the Gap Between the Aspirations of Micro-Enterprises and the Opportunities Available to Them

Aye Finance is committed to building the micro-enterprise sector and has been addressing the funding challenges of this segment since its inception in 2014. To go beyond financing and support micro-enterprises in becoming an integral component of the Indian economy, Aye Finance launched its not-for-profit arm, FAME (Foundation for Advancement of Micro Enterprises), in 2019. Since then, FAME has worked with over 2 Lakh micro-enterprises, building their capabilities and enhancing their livelihood opportunities.

The year 2024–25 marked FAME's sixth year of operations, during which the Foundation deepened its commitment to its vision of empowering micro-enterprises. FAME created over 1 Lakh beneficiary engagements during the year, making it particularly special by delivering value and receiving validation from each of its stakeholders.

Key Highlights from FY 2024–25 Include:

1. **Impact Study:** FAME conducted its first impact study to capture the socioeconomic effect of the Foundation's interventions on its beneficiaries. The findings underscore the positive impact FAME has had on the lives of beneficiaries and their communities.

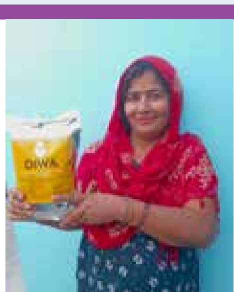
2. **FAME FCRA Registration:** The Ministry of Home Affairs granted FAME the FCRA (Foreign Contribution Regulation Act) registration.

3. **Commendation from Aye Finance:** FAME received a special letter of commendation from Aye Finance for the quality outcomes and cost-effectiveness of its various shoe and sports goods manufacturing centres.

4. **Recognition by Hindustan Unilever:** FAME's donor, Hindustan Unilever, recognised and rewarded the project implemented by the Foundation at their annual award event.

5. **Partnership with the Ministry of Rural Development:** FAME was brought on board as a partner for the Lakhpati Didi initiative led by the Ministry of Rural Development.



FAME's Impact

7.35 Crores	Benefits to Beneficiaries
2,10,000	Micro-entrepreneurs Trained
60,000	Women Entrepreneurs Trained
8,000	Awareness & Capability Building Sessions
5	Livelihood Enhancement Programmes
4	States
13	Districts
300+	Villages
₹ 7 Crores	Corpus Deployed
57	Team Size
Banas Dairy & Ministry of Rural Development	Our Partners

Programmes Under Implementation

FAME runs interventions for micro-enterprises belonging to the Manufacturing, Agri services and Trading sectors in 13 districts in 4 States – Uttar Pradesh, Rajasthan, Punjab and Haryana.

Agri Services

- Dairy Development Programme in Uttar Pradesh, Punjab, Rajasthan and Haryana

Manufacturing & Job Work

- Shoe Artisans Programme in Agra
- Sports Cluster Development Programme in Meerut
- DIWA (Development Initiative for Women Association) in Meerut and Hapur

Trading

- Kirana Empowerment Programme in Meerut

Awards and Accolades

Celebrating Excellence, **Inspiring Progress**

PHD Chamber of Commerce and Industry (CCI)

Won the PHDCCI 1st MSME Banking and NBFC Excellence Sammaan in the category of 'Best Upcoming NBFC in MSME Lending'.

ET Edge Best Brands – 2024

Recognized as one of the Best Brands in 2024 by The Economic Times.

WOW Workplace Award 2025

WOW Workplace Award 2025, recognising our commitment to an exceptional work culture.

Best-in-Class Performance – NBFC Award

Honoured as the Runner-Up for the 'Best-in-Class Performance - NBFC' Award at the ASSOCHAM 19th Annual Summit & Awards on Banking and Financial Sector Lending Companies.

Distinguished NBFC Award 2024

Received the Distinguished NBFC Award 2024 for Best Financial Inclusion Initiative from Banking Frontiers.

Global Banking & Finance Review Award

Aye Finance has been recognised as the Best SME Finance Company 2024 by Global Banking & Finance Review.

Recognised as a Great Place to Work

FY 2024-25

Recognised as one of Asia's Best Large Workplaces in 2024 by Great Place to Work Institute, India.

Certified for the fourth consecutive year as one of India's Top 10 Best Companies to Work For by Great Place to Work®.

Recognition for being among the Best in the Industry - awarded as one of India's Best Workplaces in NBFC.

Recognized as India's Best Workplaces for Millennials 2024 that epitomize forward-thinking leadership and prioritizes the holistic well-being of millennial employees.

Featured among India's Best Workplaces in BFSI 2024 : Top 25 by GPTW.

Board of **Directors**

Dr. G. R Chintala

Chairperson & Independent Director

Dr. Chintala is a financial services veteran with over 36 years of experience. He was the Chairman of National Bank for Agriculture and Rural Development (NABARD) from 2020 to 2022 and prior to that held leadership positions at NABFINS, NABVENTURE & NAB FOUNDATION. He has been the Director of Bankers Institute of Rural Development (BIRD) and also served on the Boards of Institute for Rural Management (IRMA), DICGC and on the Advisory Board of IIM-Ahmedabad.

Mr. Sanjay Sharma

Managing Director

Mr. Sharma heads the Company and directly oversees its business strategy. As a Founder, he has led the Company from a tech-driven start-up aspiring to deliver social impact, into an award-winning financial services firm that is delivering social impact at scale along with robust financial returns. He is an accomplished leader in Consumer Banking with over 34 years of experience in BFSI segment handling leadership roles in HSBC, HDFC Bank, ICICI and Max Life Insurance. Set up Tamweel PJSC and grew it into the largest housing finance company in the UAE with over US$ 3 Billion in assets. He is an alumnus of IIT Bombay and IIM Bangalore.

Mr. Sanjaya Gupta

Independent Director

Mr. Gupta is a banking professional with over 36 years of extensive experience in leading high performing professional teams. He served as the MD & CEO of PNB Housing Finance Limited from 2010 to 2020. Prior to that was the Co-founder and Non-executive Chairman of India Shelters. As the MD-designate of a four-way joint venture between AIG Inc., National Housing Bank (the regulator), International Finance Corporation (IFC), and Asian Development Bank (ADB), he conceptualised the first mortgage guarantee product in India. He was awarded the 'Economic Times Most Promising Business Leader Asia 2018-19'.

Mr. Vinay Baijal

Independent Director

Mr. Baijal is a distinguished industry professional who has served as a Chief General Manager at RBI. As CGM, Foreign Exchange Department, he played a crucial role in policy framing and implementation of exchange control in India. He has also contributed to drafting Rules and Regulations under FEMA. He set up the Banking Codes and Standards Board of India (BCSBI) and served as its first CEO. He has served as a member of the World Bank Task Force on International Standards on Credit Data Reporting as well of the National Core Committee to deal with FATF Assessment of India in 2009.

Prof. Kanika T. Bhal

Independent Director

Prof. Bhal is a PhD from IIT Kanpur and is the Modi Chair Professor at the Department of Management Studies at IIT Delhi and is a visiting fellow at Sloan School of Management, MIT. She has authored books on leadership, culture and ethics. Prof. Bhal has done sponsored research for several nationally and internationally funded (with Fordham University and Wharton Business School) projects and has been a consultant to various government organisations. She has been conferred several awards and has been given the honorary title of Professor Honorable by Tshwane Institute of Technology, South Africa.

Ms. Padmaja Nair

Independent Director

Ms. Nair is an Independent Director of our Company. She has been associated with our Company since October 17, 2024. She holds a bachelor of arts degree from Lady Shri Ram, University of Delhi and a master of arts (history) degree from University of Delhi. She currently serves on the Board of UC Inclusive Credit Private Limited and has previously held several leadership positions, including the designation of General Manager in the State Bank of India and Vice President of SBI Capital Markets Limited.

Mr. Aditya Misra

Non-Executive, Non-Independent Director

Mr. Misra is a Non-Executive, Non- Independent Director of our Company. He has been associated with our Company since September 28, 2024. He holds a bachelor of technology degree from Indian Institute of Technology, Bombay. He is currently a Director of Investments at ABC Impact (a member of Temasek Trust Asset Management Pte. Ltd.). Previously, he was also associated with Omidyar Network India Advisors Private Limited and A.T. Kearney Limited.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors (**"Board"**) is pleased to present the 32nd Annual Report together with the audited financial statements of your Company for the financial year ended March 31, 2025.

Upon receipt of Certificate of Incorporation consequent upon conversion to public company dated December 10, 2024, from the Registrar of Companies, the Company's name has been changed to "**Aye Finance Limited**". The Company has also received a Fresh Certificate of Registration from Reserve Bank of India dated March 25, 2025.

Aye Finance Limited ("**AFL**" or "**Company**") is a non-deposit accepting Non-Banking Finance Company – middle layer ("**NBFC-ML**") holding a Certificate of Registration from the Reserve Bank of India ("**RBI**") since 2014. The Company is focused on providing loans to micro scale MSMEs (Micro Small and Medium Enterprises) across India across manufacturing, trading, service and allied agriculture sectors. It offers a range of business loans for working capital and business expansion needs. The Company provides comprehensive product line comprising mortgage loans, 'Saral' Property Loans, secured hypothecation loans and unsecured hypothecation loans & supply chain finance.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	March 31, 2025	March 31, 2024*
Revenue from operations	1,459.73	1,040.22
Other income	45.26	31.53
Total revenue	**1,504.99**	**1,071.75**
Expenses		
Employee benefit expenses	379.64	275.21
Finance costs	468.00	326.53
Impairment on Financial Assets	288.83	131.40
Depreciation and amortisation expenses	22.16	14.54
Net Loss on fair value changes	3.62	6.18
Other expenses	117.73	90.03
Total expenses	**1,279.98**	**843.89**
Profit before tax	**225.01**	**227.86**
Tax Expenses	53.74	66.73
Profit after tax	**171.27**	**161.13**
Other Comprehensive Income	(0.72)	(0.41)
Profit after tax (after OCI)	**170.55**	**160.72**
Earnings per share (equity share, par value of ₹ 2* each)	**2**	**2**
Basic (₹)	**9.29**	**9.97**
Diluted (₹)	**9.12**	**9.86**

** The Board of Directors of the Company in the Board meeting dated October 16, 2024 and Shareholders of the Company in the Extra Ordinary General Meeting dated October 17, 2024 have approved the re-classification and sub-division of each of the Equity Share of the Company having a face value of ₹ 10/- each in the Equity Share Capital of the Company, into 5 Equity Shares having a face value of ₹ 2/- each.*

Note: *The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards* ***("Ind AS")*** *as notified under Sections 129 and 133 of the Companies Act, 2013* ***("Act")*** *read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are presented as separate section of this Annual Report.*

OPERATIONS, RATINGS, FUND RAISE AND THE STATE OF COMPANY'S AFFAIR

Operational Highlights

- The Company earned total revenue of ₹ 1,459.73 for the FY 2024-25 as compared to ₹ 1,040.22 Crores in the FY 2023-24, registering an increase of 40.33%, as compared to the previous year.
- Profit before tax and after tax for FY 2024-25 stood at ₹ 225.01 Crores and ₹ 171.27 Crores respectively as against ₹ 227.86 Crores and ₹ 161.13 Crores respectively, for the previous year.

Strong Capital and Liquidity Position

- The Company's Total Capital Adequacy stood at 34.92 % with a Tier 1 of 34.92% against regulatory requirement of 15% and 10% respectively.
- The Company's Gearing was at 2.89 as at March 31, 2025.
- The Company's Liquidity Coverage Ratio (LCR) stood comfortably at 358.39 % as at March 31, 2025 against a regulatory requirement of 100%.
- The Company continues to hold a strong liquidity position with ₹ 988.94 Crores as cash balance as at end of FY 2024-25.
- The Asset Liability Management (ALM) was comfortable with no negative cumulative mismatches across all time buckets

Business Update

- The Company closed the year with a balance sheet size of ₹ 6,338.11 Crores and total loan assets on books of ₹ 4,950.21 Crores.

Assets Under Management (AUM)

- The Assets Under Management (**AUM**) stood at ₹ 5,533.90 Crores as at March 31, 2025 as against ₹ 4,463.29 Crores as at March 31, 2024 which is a growth of 23.99% YOY.

Network Expansion

- As on March 31, 2025, your Company have 526 branches spread across 18 states and 3 Union Territories in India compared to 478 branches as on March 31, 2024.
- During the FY 2024-25 2,68,625 new loans were disbursed.
- As on March 31, 2025, the Company has 8,868 active employees helping these customers pursue their dreams.

Stable Asset Quality

- As at year end, the Company had a strong provisioning pool of ₹ 212.15 Crores, Gross Non-Performing Assets ("**GNPA**") amounted to ₹ 217.04 Crores and 4.21% whereas Net Non-Performing Assets ("**NNPA**") amounted to ₹ 70.40 Crores (1.40%).

OTHER MATERIAL EVENTS

Your Company has filed Draft Red Herring Prospectus ("**DRHP**") with Securities and Exchange Board of India ("**SEBI**") on December 17, 2024 and has received approval from the SEBI on April 03, 2025. The Company has also received approvals from Stock Exchanges on March 05, 2025. Further, the Company made an application for change in control to Reserve Bank of India and received approval from RBI on April 21, 2025.

Credit Rating

The credit ratings of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2025 were assigned/reaffirmed in the following manner-

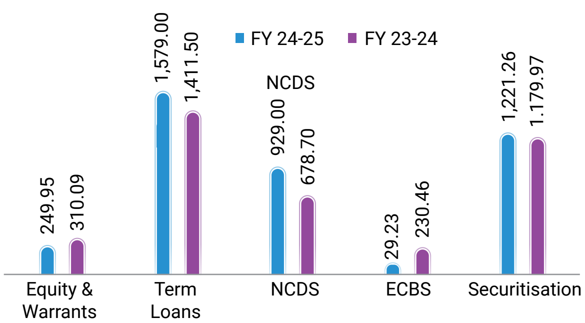
Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Rating	Last review date
ICRA Limited	Long term bank facilities	[ICRA]A (Stable)	December 06, 2024
India Ratings and Research Pvt Ltd	Long-Term Bank facilities	IND A / Stable	July 19, 2024
	Commercial Paper	IND A1	
	Non-Convertible Debenture	IND A / Stable	
	Principal Protected Market-Linked Debenture	IND PP-MLD A / Stable	

Fund raised during FY 2024-25:-

The aggregate debt outstanding as on March 31, 2025 was ₹ 4,526.33 Crores. Bank Finance remains an important source of funding for your Company. Banks continued their support to your Company. As of March 31, 2025, borrowings from Banks were ₹ 1,209.39 Crores compared to ₹ 685.33 Crores in the previous financial year.

The Company has been regular in servicing all its debt obligations.

Increamental Funding Analysis



COMPANY'S PROSPECTS, BUSINESS OVERVIEW AND FUTURE OUTLOOK

During the period under review, the Company continued to strengthen its presence in the Non-Banking Financial Services sector by maintaining a disciplined approach to credit, enhancing its technology capabilities, and expanding its customer base. The Company's portfolio remains well-diversified across various segments. The management remains committed to creating long-term stakeholder value through sustainable business practices, responsible lending, and a focus on inclusive growth.

A detailed aspect on the same has been elaborated upon in the Management Discussion and Analysis Report, which forms integral part of this Annual Report.

CHANGE IN NATURE OF BUSINESS

There has been no change in the existing nature of business and operations of the Company. During the year, the Insurance Regulatory and Development Authority of India **("IRDAI")** had granted a license to the Company to act as composite corporate agent for solicitation and procurement of insurance business for life insurers, general insurers and health insurers as specified under IRDAI Regulations.

TRANSFER TO RESERVES

An amount of ₹ 34.25 Crores, representing 20% of the Profit After Tax **("PAT")** was transferred to statutory reserve of the Company pursuant to Section 45IC of the Reserve Bank of India Act, 1934. Further, an additional amount of ₹ 9.24 Crores have been transferred to Share option outstanding account during the year under review.

DIVIDEND

To grow the business line of the Company, the Directors have not recommended any dividend on equity shares for the year ended March 31, 2025.

CAPITAL STRUCTURE

Authorised Share Capital

As on March 31, 2025, Authorised Share capital of the Company stood at ₹ 82 Crores consisting of 41,00,00,000 equity shares having face value of ₹ 2/- each.

During the year under review, Authorised Share Capital of the Company was changed in the following manner-

- On August 16, 2024, the Authorised Share Capital was increased from ₹ 45.31 Crores to ₹ 82 Crores through an Ordinary Resolution passed at the Extra-Ordinary General Meeting. The new capital structure includes 4,34,20,000 Equity Shares with a face value of ₹ 10 each, 2,91,00,000 Preference Shares with a face value of ₹ 10 each, and 47,40,000 Preference Shares with a face value of ₹ 20 each.
- On October 17, 2024, the share capital was reclassified into equity shares and sub-divided in the following manner, through a Special Resolution at the Extra-Ordinary General Meeting to reclassify the Authorised Share Capital and subdivide equity shares in the following manner:
  - o the reclassification of the Authorised Share Capital from ₹ 82 Crores, which included 4,34,20,000 Equity Shares of ₹ 10 each, 2,91,00,000 Preference Shares of ₹ 10 each, and 47,40,000 Preference Shares of ₹ 20 each, to ₹ 82 Crores consisting of 8,20,00,000 Equity Shares of ₹ 10 each.
  - o the face value of the equity shares was reduced from ₹ 10 each to ₹ 2 each, effective from October 15, 2024, resulting in revised Authorised Share Capital of ₹ 82 Crores comprising 41,00,00,000 Equity Shares of ₹ 2 each.

Paid-up Share Capital

As on March 31, 2025, Paid-up Share capital of the Company stood at ₹ 38,34,83,140/- consisting of 19,17,41,570 equity Shares having face value of ₹ 2/- each.

During the year under review, Paid-up Share Capital of the Company was changed in the following manner-

- On September 23, 2024, the Company allotted 3,04,29,293 equity shares of ₹ 10 each pursuant to the conversion of Compulsory Convertible Preference Shares (CCPS) into equity shares.
- On September 24, 2024, the Company allotted 9,49,376 equity shares of ₹ 10 each upon exercise of warrants by Mr. Sanjay Sharma, Founder & Managing Director of the Company, paying the remaining amount of ₹ 653.11 per warrant.
- On September 26, 2024, the Company allotted 21,39,125 equity shares of ₹ 10/- each through private placement and preferential allotment to IMP2 Assets Pte. Ltd. and British International Investment plc, respectively.
- On October 17, 2024, the shareholders approved a Special Resolution at the Extra-Ordinary General Meeting to subdivide 3,83,48,314 equity shares of face value of ₹ 10 each into 19,17,41,570 equity shares of face value of ₹ 2 each, effective from October 15, 2024.

DEPOSITS

The Company has not accepted/received any deposit during the year under review falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis ("MDA") Report forms an integral part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintaining the high standards of corporate governance and is continuously striving to implement several best corporate governance practices.

In terms of Part C of Schedule – V SEBI Listing Regulations, a report on Corporate Governance along with the certificate from M/s Neeraj Arora & Associates, Company Secretaries (Firm Registration No. S2019DE706400), a peer reviewed firm confirming compliance of the conditions of Corporate Governance is forms part of this Annual Report as **Annexure I.**

RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. We deploy anenterprise-wide risk management framework which is overseen by the senior management. This framework ensures compliance with risk policies, monitoring of risk tolerance limits, review and analysis of risk exposure related to specific issues and oversight of risk across the organisation. The risks are systematically evaluated, reported, and monitored to safeguard the Company's sustainability and operational integrity.

The framework is supported by our Internal Capital Adequacy Assessment Process **("ICAAP")** policy, third-party risk monitoring, and quarterly reviews of Key Risk Indicators **("KRIs")**. These mechanisms allow us to continuously monitor and address key risks, ensuring that we take timely actions to keep risks within acceptable limits while making informed decisions aligned with our strategic objectives.

The Board of Directors has adopted a Risk Management Policy for the Company which provides for identification of key events and risks impacting the business objectives of the Company and attempts to develop strategies to ensure timely evaluation, reporting and monitoring of key business risks.

The risk management framework of the Company addresses various types of risks, including credit risk, portfolio concentration risk, market and strategic risk, operational risk, IT and cyber risk, compliance risk, reputational risk, interest rate risk, liquidity risk, and money laundering risk. To mitigate these risks, the Company employs several strategies. For credit risk, it analyzes customer creditworthiness and uses a structured underwriting process. Portfolio concentration risk is managed by diversifying investments across different industries and regions. Market and strategic risks are addressed through careful planning and regular performance reviews. Operational risks are mitigated by maintaining strong internal controls and conducting audits. IT and cyber risks are managed with robust cybersecurity measures and disaster recovery plans. Compliance risks are handled through continuous monitoring and updates to regulations. Reputational risks are minimised by adhering to fair practices and maintaining effective customer service. Interest rate risks are managed by appropriately pricing loan products, while liquidity risks are addressed by ensuring sufficient liquidity and planning funding needs. Finally, money laundering risks are mitigated through a risk-based approach and thorough transaction monitoring.

Pursuant to Regulation 21 of SEBI Listing Regulations, the Company has a Risk Management Committee which is responsible for monitoring and reviewing the risk management plan & ensuring its effectiveness. The Risk Committee meets at least once in every quarter to assess and review the risk profile of the organisation to ensure that risk is not higher than the risk appetite determined by the Board.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The board of directors is responsible for ensuring that the Company has implemented robust systems and a framework of internal financial controls, providing reasonable assurance regarding the adequacy and operating effectiveness of these controls in relation to reporting, operational, and compliance risks, as stipulated in Section 134(5)(e) of the Companies Act, 2013. Your Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. Internal Financial Controls **("IFC")** of the Company are also similarly commensurate. IFC has been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The Company also periodically engages outside experts to carry out an independent review of the effectiveness of various Internal Controls. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

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.

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. The Internal Audit department takes care of internal control processes. There is a risk-based audit methodology covering all key processes 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.

During the year under review and based on the information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred. Further, there have been no significant changes in our IFC during the year that have materially affected, or are reasonably likely to materially affect, our IFC.

MATERIAL EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting adversely the financial position of the Company, which have occurred between the end of the financial year of the Company i.e. March 31, 2025 and the date of this report except specifically mentioned in this report.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2025, your Company had only 1 (one) Wholly Owned Subsidiary i.e. Foundation for Advancement of Micro Enterprises **("FAME")**, incorporated under the Companies Act, 2013 as Section 8 Company. Further, there are no Associates or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 as on March 31, 2025.

During the year under review, there has been no change in the nature of the business of the subsidiary. FAME has got Registration under Foreign Contribution (Regulation) Act, 2010 from Government of India, Ministry of Home Affairs vide their certificate dated January 01, 2025.

Further, a statement containing salient features of the financial statements of the Subsidiary Company including therein the performance of subsidiary Company in Form AOC-1, which form part of this Report as **Annexure - II** pursuant to Section 129(3) of the Act and Rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, the Company has constituted a Corporate Social Responsibility Committee. The composition, function and details of meetings attended by the Committee Members are provided in the Corporate Governance Report which forms part of this Annual Report. The Board adopted the CSR Policy, as formulated and recommended by the CSR Committee, and the same is available on the website of the Company at https://www.ayefin.com/policies/.

During the period under review, the Company has contributed ₹ 1.75 Crore to Foundation for Micro Enterprises **(FAME)**, wholly owned subsidiary of the Company, which is a not-for-profit company, within the meaning of Section 8 of the Companies Act, 2013 and was incorporated in India on April 4, 2019. FAME carries out CSR activities under the direction and CSR Policy adopted by your Company in line with the Schedule VII of the Companies Act, 2013. The Company primarily focuses on CSR projects or programs that include promoting and developing of - (a) livelihoods; (b) rural development; (c) skill development; & (d) the benefit of the socially weaker section of the society.

FAME is dedicated to building the capabilities of micro-entrepreneurs, promoting sustainable economic growth. FAME recognises that microentrepreneurs are the backbone of the economy and by empowering them, it strives to create a positive impact on society. Through skill development, training on manufacturing quality products, adoption of effective marketing techniques, and a focus on women empowerment, FAME is creating a sustainable, inclusive ecosystem that eliminates poverty and fosters economic growth at the grassroots level.

As per amended CSR Rules and CSR Policy of the Company, the funds required to be disbursed have been utilised for the purposes and in the manner as approved by the Board of Directors of the Company and confirmation to this effect have been received from Mr. Krishan Gopal, Chief Financial Officer and Ms. Sheena Sakhuja, Officer in-charge for CSR in the Company and such confirmations have been duly noted by the Board in its meeting held on May 21, 2025.

Key initiatives under each thematic area and the Annual Report on CSR in compliance with Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014, is annexed as **Annexure -III** to this Report.

AUDIT COMMITTEE

The Company has an Audit Committee duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Regulation 62F of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**). All the members of the Committee have expertise in finance and have sound knowledge of accounting and financial management. The terms of reference of the Audit Committee, as set out in Regulation 62F of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and other applicable laws, are approved by Board of Directors of the Company. The composition of the Audit Committee & its terms of reference and the details of meetings attended by the Audit Committee members are provided in Corporate Governance Report which forms part of this Annual Report.

During the year under review, the Audit Committee has been reconstituted by the Board of Directors on December 11, 2024. Further, all the recommendations of the Audit Committee were duly accepted by the Board of Directors of the Company during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

i) in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards had been followed and there are no material departures;

ii) they have 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 as on March 31, 2025 and of the profit/loss of the Company for the year ended March 31, 2025;

iii) they have 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) they have prepared the annual accounts for financial year ended March 31, 2025 on a going concern basis;

v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2025.

AUDITORS & AUDITORS' REPORT

Statutory Auditors & their reports

Pursuant to the guidelines issued by RBI on April 27, 2021 for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditor (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular No. RBI/2021-22/25 Ref. No DoS.CO.ARG/SEC.01/08.91.001/2021-22 ("**RBI Circular**"), the Company is required to appoint the Statutory Auditors for a continuous period of 3 (three) years subject to the audit firm satisfying the prescribed eligibility norms. Our existing Auditors M/s S S Kothari Mehta & Co. LLP (formerly known as S S Kothari Mehta & Co.), Chartered Accountants, New Delhi, (Firm Registration No. 000756N/N500441) is eligible to continue as Auditors of the Company in terms of the aforesaid RBI Circular and applicable provisions of the Act from ensuing 32nd Annual General Meeting ("**AGM**") (for FY 2024-25) till 33rd AGM (for FY 2025-26) subject to the applicable provisions from time to time.

The Audit Committee in their meeting held on May 21, 2025 noted and confirmed the eligibility confirmation received from M/s S S Kothari Mehta & Co. LLP in terms of the RBI circular.

The Auditors' Report for the financial year 2024-25 does not contain any qualification, reservation, adverse remark or disclaimer. Further, during the year under review, 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 read with Rules framed thereunder, the Company is required to appoint a Secretarial Auditors to carry out the secretarial audit of the Company.

The Board had appointed by M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration Number: P2001DE052900), as the Secretarial Auditors to conduct secretarial audit of the Company for the FY 2024-25 and their Report in the prescribed Form MR-3, as **Annexure - IV** is annexed to this report. There are no qualifications, observations, adverse remark or disclaimer in the said Report.

Pursuant to Regulation 62M of SEBI Listing Regulations (corresponding to Regulation 24A (2) of SEBI Listing Regulations), a report on secretarial compliance for FY 2025 has been issued by M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration Number: P2001DE052900) and the same has been submitted with the stock exchange within the prescribed timelines.

On May 21, 2025, the Board in its meeting basis the recommendation of Audit Committee approved the appointment of M/s Sanjay Grover & Associates as the Secretarial Auditors of the Company, subject to Shareholders approval. This appointment will last for five consecutive years, from the financial year 2025-26 to 2029-30. The terms of remuneration will be as mutually agreed between Board and Secretarial Auditors.

M/s Sanjay Grover & Associates is a peer reviewed firm and have also confirmed that they are not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria.

For further details on the proposed appointment of Secretarial Auditors, please refer related agenda item in the Notice of the AGM.

FRAUDS REPORTED BY AUDITORS

During the period under review, none of the auditors have reported any instances of material fraud in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013 to the Audit Committee/ Board or Central Government.

2 minor instances of embezzlement of cash by employees were detected and reported to RBI. These aggregates to ₹ 0.30 Crore. In such cases, employees were terminated from their services and appropriate legal action has also initiated against such employees.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 11 (eleven) times during the year under review. Detailed information on these Board meetings as well as meetings of the Committees set up by the Board, their composition and attendance record of the members of respective Committees is included in the Report on Corporate Governance which forms integral part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Board of Directors

- **Appointment/Continuity as Director/Variation in terms of appointment**

  ### Appointment of Independent Directors

  During the financial year 2024-25, Members of the Company based on the recommendation of Nomination & Remuneration Committee and the Board of Directors have approved following appointments:

- **Appointment of Mr. Vinay Baijal as a Non-Executive Independent Director of the Company**

  Based on the recommendation of Nomination and Remuneration Committee & Board of Directors, Members of the Company at their Extra-Ordinary General Meeting held on August 16, 2024 had approved the appointment of Mr. Vinay Baijal (DIN: 07516339) as an Independent Director for a term of 5 (five) consecutive years, not liable to retire by rotation, effective from August 16, 2024 and in accordance with Regulation 17(1A) of SEBI Listing Regulations, to continue as an Independent Director beyond June 15, 2026, on account of his attaining the age of 75 years on the said date.

- **Appointment of Ms. Padmaja Nair as a Non-Executive Independent Director of the Company**

  Based on the recommendation of Nomination and Remuneration Committee & Board of Directors, Members of the Company at their Extra-Ordinary General Meeting held on October 17, 2024 had approved the appointment of Ms. Padmaja Nair (DIN: 06841868) as an Independent Director of the Company for a term of 5 (five) consecutive years effective from October 17, 2024 and in accordance with Regulation 17(1A) of SEBI Listing Regulations, to continue as an Independent Director beyond July 08, 2028, on account of her attaining the age of 75 years on the said date.

Appointment/ Continuity as Director/Change in terms of appointment of Directors

- **Mr. Gaurav Malhotra, Non-executive & Non-Independent Director**

  On the recommendation of Nomination Remuneration Committee & Board of Directors, the Members of the Company at their Extra-Ordinary General Meeting had approved the appointment of Mr. Gaurav Malhotra (DIN: 07640504) as Non-executive & Non-Independent Director who shall not be liable to retire by rotation and for a term of 5 (five) consecutive years effective from June 26, 2024.

- **Mr. Aditya Misra, Non-executive & Non-Independent Director**

  On the recommendation of Nomination Remuneration Committee & Board of Directors, the Members of the Company at their Extra-Ordinary General Meeting had approved the appointment of Mr. Aditya Misra (DIN: 09376632) as Non-executive & Non-Independent Director who shall not be liable to retire by rotation and for a term of 5 (five) consecutive years effective from September 28, 2024.

Continuity of Non-executive & Non-Independent Directors

In terms of the amended Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 01, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the members in a general meeting at least once in every five years from the date of their appointment or re-appointment, as the case may be. Therefore, on the recommendation of Nomination & Remuneration Committee & Board of Directors, the Members of the Company at their Extraordinary General Meeting held on June 26, 2024 had approved the continuity of Directorship of following directors on the Board, for a period of 5 (five) years and not liable to retire by rotation:

i. Mr. Navroz Darius Udwadia (DIN: 08355220) as Non-Executive & Non-Independent Director of the Company representing Alpha Wave India I LP.

ii. Mr. Vivek Kumar Mathur (DIN: 03581311) as Non-Executive & Non-Independent Director of the Company representing Elevation Capital V Limited.

iii. Mr. Kartik Srivatsa (DIN: 03559152) as Non-Executive & Non-Independent Director of the Company representing LGT Capital Invest Mauritius PCC with Cell E/VP.

iv. Mr. Kaushik Anand Kalyana Krishnan (DIN: 07719742) as Non-Executive & Non-Independent Director of the Company representing A91 Emerging Fund I LLP.

Variation in terms of appointment

The Company converted from a private limited company to a public company effective December 10, 2024. To comply with the requirements of the Act, the terms of appointment for Mr. Sanjay Sharma (DIN-03337545), Managing Director, Executive Director and Mr. Aditya Misra (DIN-0937663), Non-Executive Non-Independent Director, were amended, making them liable to retire by rotation. The Members of the Company approved this variation in the terms of appointment at the Extra-Ordinary General Meeting held on December 11, 2024, in accordance with the provisions of the Act on the recommendation of Nomination & Remuneration Committee and Board of Directors.

- **Resignation/Cessation:**

  The Company filed its Draft Red Herring Prospectus (DRHP) with SEBI on December 17, 2024, and plans to proceed with an Initial Public Offering (IPO). To facilitate the Company's conversion from a private to a public entity and the impending DRHP filing, the following Non-Executive & Non-Independent Directors nominated by our investors resigned effective from the close of business hours on December 12, 2024:

S. No.	Name of Representative	Representative of
i.	Mr. Vivek Kumar Mathur (DIN: 03581311)	Elevation Capital V Limited
ii.	Mr. Kartik Srivatsa (DIN: 03559152)	LGT Capital Invest Mauritius PCC with Cell E/VP
iii.	Mr. Navroz Darius Udwadia (DIN: 08355220)	Alpha Wave India I LP
iv.	Mr. Gaurav Malhotra (DIN: 07640504)	British International Investment PLC
v.	Mr. Kaushik Anand Kalyana Krishnan (DIN: 07719742)	A91 Emerging Fund I LLP

The Board placed on record its appreciation for the valuable contribution of above Directors in the sustained growth of the Company during their tenure in the Company.

- **Retirement by Rotation:**

  In terms of provisions of Section 152 of the Act, Mr. Sanjay Sharma (DIN-03337545), Managing Director of the Company who has been longest in office would be retiring by rotation at this AGM and is eligible for re-appointment.

B. Key Managerial Personnel

As on March 31, 2025, Mr. Sanjay Sharma (Managing Director), Mr. Krishan Gopal (Chief Financial Officer), and Mr. Vipul Sharma (Company Secretary, Compliance Officer & Chief Compliance Officer) are the Key Managerial Personnel as per the provisions of the Act.

- **Changes in Key Managerial Personnel**

  1. The members on the recommendation of Nomination and Remuneration Committee and the Board of Directors approved the reappointment of Mr. Sanjay Sharma at the Extra-Ordinary General Meeting held on June 26, 2024, for another consecutive term of 5 (five) years, effective from July 05, 2024 to July 04, 2029 (both days inclusive).

  2. Further, on recommendation of the Nomination & Remuneration Committee and Board of Directors approved the appointment of Mr. Vipul Sharma as Company Secretary, Compliance Officer, and CCO (Key Managerial Personnel) effective from May 25, 2024 succeeding Ms. Tripti Pandey who continues to serve as Deputy Company Secretary of the Company. The Board place on its record its appreciation for the valuable contribution of Ms. Tripti in the sustained growth of the Company during her tenure.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors (IDs) have submitted their declaration of independence, as required pursuant to Section 149(7) of the Act, confirming that they meet the criteria of independence as provided in Section 149 (6) of the Act. In the opinion of the board, the IDs fulfil the conditions specified in the Act and the rules made there under for appointment as IDs including integrity, expertise and experience.

In the opinion of the Board of Directors, there has been no change in the circumstances which may affect their status as Independent Directors of the Company. Further, in terms of Section 150(6) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

FIT AND PROPER AND NON-DISQUALIFICATION DECLARATION BY DIRECTORS

The Company has adopted a 'Policy on Fit and Proper Criteria for Board of Directors' for ascertaining the 'Fit and Proper' criteria to be obtained at the time of appointment of directors and on a continuing basis. All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act.

COMPLIANCE WITH RBI GUIDELINES

The Company has complied with all the regulations of RBI to the extent applicable as a NBFC-ICC and as Middle Layer NBFC under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 **("RBI Scale Based Regulations)**.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India and such systems are adequate and operating effectively.

POLICIES

- **VIGIL MECHANISM/WHISTLE BLOWER**

  The Company is committed to conducting business with integrity, and high standards of business and personal ethics, and complying with all the applicable laws and regulations, and has put in place a mechanism for reporting illegal or unethical behaviour.

  The Company has a Whistle-Blower Policy (Vigil Mechanism) which is also available at https://www.ayefin.com/policies/, under which the employees/officers or directors are encouraged to report fraudulent practices, bribery, illegal or unethical behaviour without fear of any retaliation which is in compliance with the provisions of Sections 177(9) & (10) of the Act and Regulation 62J of SEBI Listing Regulations. The Policy provides adequate safeguard against victimisation to the Whistle Blower and enables them to raise concerns and provides an option of direct access to the Chairman of Audit Committee. During the period under review, none of the personnel have been denied access to the Chairman of the Audit Committee.

  During the period under review, 4 complaints were received by the Company under the vigil mechanism and the same were successfully closed.

- **NOMINATION AND REMUNERATION POLICY**

  In order to set our principals, parameters and governance framework of the remuneration for Directors, Manging Director, Key Managerial Personnels and employees of the Company and in terms of Section 178 of the Companies Act, 2013, Regulation 62G of SEBI Listing Regulations and RBI Master Direction - Scale Based Regulations dated October 19, 2023, as amended from time to time, your Company has in place Nomination and Remuneration Policy which contains appointment, reappointment, removal and remuneration including criteria for determining qualifications, positive attributes of Director & Key Managerial Personnels.

  The Nomination and Remuneration Policy is also available on the Company's website at https://www.ayefin.com/policies/.

  During the year under review, the Nomination and Remuneration Committee has been reconstituted by the Board of Directors dated December 11, 2024. Further, composition of the committee, its terms of reference and the details of meetings attended by the Committee members are provided in Corporate Governance Report which forms part of this Annual Report.

DETAILS OF SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the period under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

However, Members' attention is drawn to the statement on contingent liabilities, commitments as disclosed in the Notes to the Financial Statements for the FY 24-25.

COST RECORDS AND COST AUDIT

During the period under review, maintenance of cost records and requirement of Cost Audit as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable on the Company.

HUMAN RESOURCES

As on March 31, 2025, the Company had 8,868 active employees across its branches, regional office and Head office. The Company recognises 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 throughout the year.

We are elated to announce our prestigious ranking as the 3rd Great Place to Work! This marks the 5th consecutive time we have been ranked amongst the top 10 best places to work in India. This accolade underscores our unwavering dedication to cultivating an inspiring and supportive workplace culture. Heartfelt gratitude to our extraordinary team for making this distinguished achievement a reality! We, as a team, have achieved success, stayed positive, and found new ways to support each other.

ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

(A) Conservation of Energy: (i) the steps taken or impact on conservation of energy: (ii) the steps taken by the Company for utilising alternate sources of energy: (iii) the capital investment on energy conservation equipment's:	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 investment in equipment for conservation of energy.
(B) Technology Absorption: (i) the efforts made towards technology absorption: (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): (iv) the expenditure incurred on Research and Development:	The Company has implemented Lead Management, Loan Origination, Collection Management, ERP and Data Warehouse systems. With the systems in place, the Company has achieved seamless flow of data across various systems, making information flow faster, more robust and reliable. Your Company, being engaged in financing business within the Country, does not have any activity relating to technology absorption and import of technology. The Directors, therefore, have nothing to report on Technology absorption. Considering the nature of services and businesses, no specific amount of expenditure is earmarked for research & development.
(C) Foreign Exchange Earnings and Outgo	The Foreign Exchange earnings and Foreign Exchange outgo during the year under review are as below:

Particulars	Amount (₹ in Crores)	Purpose
Foreign Exchange Earnings	0.99	Grant received
Foreign Exchange Outgo	30.51	Monitoring Fee, Commitment fees, Subscription fee, Reimbursement of travel expense, Depository charges & ECB Interest payment

There was no unhedged foreign currency exposure in the Company as on March 31, 2025.

EMPLOYEE STOCK OPTION PLAN

The Company has adopted and implemented the amended Aye Employee Stock Option Plan 2016, amended Aye Employee Stock Option Plan 2020 and amended Aye Employee Stock Option Plan 2024 which on recommendation of the Nomination & Remuneration Committee of the Company, was approved by the Board of Directors in their meeting held on December 11, 2024 and subsequently by the shareholders of the Company by way of special resolutions in their Extra-Ordinary General Meeting held on December 11, 2024 .

Details of ESOP disclosure pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and the provisions of Section 62 of the Act read with rules framed thereunder as on March 31, 2025 are appended below:

Sr. No.	Particulars	ESOP 2016	ESOP 2020	ESOP 2024
1.	Options granted as on March 31, 2025	30,89,690	54,14,975	15,07,460
2.	Options vested during the year	15,24,145	20,38,334	-
3.	Options exercised as on March 31, 2025	-	-	-
4.	The total number of shares arising as a result of exercise of option	NA	NA	NA
5.	Options lapsed/Surrendered	15,32,265	10,10,554	15,000

Sr. No.	Particulars	ESOP 2016	ESOP 2020	ESOP 2024
6.	The exercise price	NA	NA	NA
7.	Variation of terms of options	No Variation in terms of options. However, the Scheme was amended by the shareholders of the Company at their meeting held on December 11, 2024 to align with SEBI SBEB Regulations, 2021.		
8.	Money realised by exercise of options	NA	NA	NA
9.	Total number of options in force	15,57,425	44,04,421	14,92,460
10.	Details of options granted to:			
	(i) **Key Managerial Personnel**			
	• Options Granted:	-	3,31,435	1,35,835
	• Options Vested:	-	82,861	Nil
	• Options lapsed/Surrendered:	-	-	Nil
	• Total number of options in force	-	3,31,435	1,35,835
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil	Nil	3,95,325
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil

PERFORMANCE EVALUATION

The Board of Directors, along with its committees and independent directors, is dedicated to efficient functioning and improved corporate governance. This commitment is evident in their ongoing performance evaluations.

In line with the Companies Act, 2013 and SEBI listing regulations, the Board, excluding independent directors, conducted an annual performance evaluation through circulation, gathering input from all Directors. The assessment focused on the Board's composition, effectiveness, and the quality of information and communication.

The performance of Board Committees was also evaluated based on feedback from committee members, considering their composition, meeting effectiveness, and overall functioning. Individual Directors were assessed on their contributions, preparedness, and ability to present views, with the Chairperson's performance evaluated as well.

On March 25, 2025, the Independent Directors met without other directors or Management to review the performance of Non-Independent Directors, the Board, and the Chairperson. They assessed the quality and timeliness of information flow between Management and the Board, expressing satisfaction with the overall performance and effectiveness.

The Independent Directors actively participated in Board and Committee meetings, and the Chairperson of the Audit Committee held a separate meeting with credit rating agency, ensuring transparency and accountability within the organisation.

Outcome: The Board of the Company was satisfied with the functioning of the Board and its Committees. Non-Executive Directors and Independent Directors demonstrate a strong understanding of the Company and its requirements.

The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by applicable laws, important issues are brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors in their individual capacities. The Board has full faith in the Chairperson leading the Board effectively and ensuring effective participation and contribution from all the Board Members.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, copy of Annual Return for the financial year ended March 31, 2025 is available on the website of the Company at https://www.ayefin.com/financial-statements/.

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

Since, the Company is Non-Banking Financial Company registered with RBI, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013 read with rules made thereunder, as amended. Further, the details of investments made by the Company are given in the Notes to the Financial Statements for the FY 24-25.

PARTICULARS OF RELATED PARTY TRANSACTIONS

The Company has Related Party Transaction Policy and Policy on Determining Materiality of Related Party Transactions **("RPT Policy")** duly approved by the Board. The Policy provide a framework for identification of related parties, necessary approvals by the Audit Committee/ Board, reporting and disclosure requirements in compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations. During the year under review, the Company has revised its RPT Policy, in accordance with the amendments to applicable provisions of the Act/Listing Regulations.

All transactions entered by the Company during the year under review with related parties were on arms' length basis and in the ordinary course of business as per the RPT Policy of the Company and in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

During the year under review, your Company has not entered into any contracts/arrangement/transaction with related parties which could be considered material in accordance with Regulations 23 & 62K of the SEBI Listing Regulations, to the extent applicable and the RPT Policy of the Company. The RPT Policy may be accessed on the website of the Company and the web-link of the same is https://www.ayefin.com/policies/.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Notes to the Financial Statements of the Company.

The Company in terms of Regulations 23 & 62K of the SEBI Listing Regulations, to the extent applicable, regularly submits within the prescribed time from the date of publication of its financial results for the half year, disclosures of related party transactions in the format specified, to the stock exchange(s).

Since 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, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

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

There are 4 zonal Internal Committees (ICs) which are responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. During the year ended March 31, 2025, there was no compliant pertaining to sexual harassment reported to the Committee and disclosure as per requirement is given below:

(a) number of complaints of sexual harassment received in the year: Nil

(b) number of complaints disposed off during the year: Nil

(c) number of cases pending for more than ninety days: Nil

OTHER DISCLOSURES

- There are no details required to be reported with regards to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

- The Company has neither filed any application nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review, hence no disclosure is required under this section.
- The Company has not issued any sweat equity shares or equity shares with differential voting rights during the year under review.
- During the year under review, debentures of the Company were not suspended from trading on account of any corporate action or otherwise.
- During the year under review, no amount has remained unclaimed pursuant to debentures redeemed during the year.
- The Company affirm its commitment to full compliance with the provisions of the Maternity Benefit Act, 1961.

  Our Company is dedicated to ensuring that all eligible female employees receive the maternity benefits stipulated by the Act, which includes paid maternity leave, medical allowances, and comprehensive workplace support.

ACKNOWLEDGEMENT

Your Board of Directors wishes to place on record their sincere appreciation for the continued support and cooperation received from customers, vendors, shareholders, bankers, other stakeholders various regulatory & government authorities. The Board places on record its appreciation of the contribution made by employees at all levels. The Company's resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors of
Aye Finance Limited
(formerly known as Aye Finance Private Limited)

Sd/-	Sd/-
Govinda Rajulu Chintala	**Sanjay Sharma**
Chairperson & Independent Director	Managing Director
DIN: 03622371	DIN: 03337545
Place: Hyderabad	Place: Gurugram

Date: July 31, 2025

ANNEXURE-I
CORPORATE GOVERNANCE REPORT

Robust Corporate Governance ensures that the Company is managed effectively and ethically to protect the interest of stakeholders and optimise shareholders value. It helps us in promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.

This Report fulfils the requirements of the Companies Act, 2013, ("**the Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"SEBI Listing Regulations"**) and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, (**"RBI Master Directions"**), as applicable to the Company.

(A) AYE'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Management is guided by Company's mission statement - "To provide innovative and customer centered financial services to micro and small businesses through knowledgeable team, effective technology and robust processes, to power their growth into the new-age India" and focuses on optimising value for all stakeholders.

At Aye, we believe that sound corporate governance is essential for driving efficiency, growth and long-term success. Our governance philosophy is built on five core principles:

- Conscience: We act with integrity and ethics in all our dealings.
- Openness: We embrace transparency and clear communication.
- Fairness: We treat all stakeholders with respect and fairness.
- Professionalism: We maintain the highest standards of expertise.
- Accountability: We attribute clear ownership and accountability for our actions and decisions.

Our goal is to build trust with our stakeholders by going beyond regulatory compliances. We strive for sustainable growth, financial stability and enhanced market reputation.

(B) BOARD OF DIRECTORS

The Company is committed to good corporate governance. To achieve this, it ensures a proper mix of Independent and Non-Independent Directors on the Board. This helps maintain the Board's independence and separates its governance role from the management of the Company.

The responsibilities of the Board, *inter alia*, include formulation of overall long terms strategy for the Company, reviewing major plans, setting performance objectives, laying down the code of conduct for all members of the Board and senior management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the stakeholders, the community and the environment. Through their collective wisdom and experience, they provide guidance to the management team, offering valuable insights and oversight to steer the organization towards sustainable growth.

(i) Composition of the Board

The Company is a professionally managed company and does not have an identifiable promoter in terms of the Companies Act, 2013 or other applicable Regulations. The Chairperson of the board of directors is a non-executive director, hence under the provisions of the SEBI Listing Regulations at least one-third of the board of directors are required to be comprised of independent directors.

As on March 31, 2025, the Board of the Company had seven directors, of whom one was executive director, five were non-executive independent directors (including two-woman independent directors) and one was non-executive non-independent director. The Company is in compliance with the SEBI Listing Regulations.

(ii) Summary of Attendance of Directors in the Board Meetings for Financial Year 2024-25 (FY 2024-25) and last Annual General Meeting

During the Financial Year ended March 31, 2025, the Board met **11 (Eleven)** times.

The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days), as stipulated under Section 173 of the Act, Regulation 62D of the SEBI Listing Regulations (corresponding to Regulation 17 of SEBI Listing Regulations) and Secretarial Standard - 1 issued by the Institute of Company Secretaries of India ("**ICSI**"). As per the applicable laws, minimum 4 (four) Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business. In case of any exigency/ emergency, resolutions were also passed by circulation. For the resolution to be approved through circulation, all the requisite inputs/ documents etc., were circulated over the respective emails of the Directors which assisted the Board to take an informed decision. Further, the resolutions approved through circulation were taken on record by the Board in the next Board Meeting.

Attendance record of Directors for FY 2024-25:-

Name of the Director	DIN	Director since	Board Meetings held during the Financial Year 2024-25											Last AGM held on September 27, 2024
			May 24, 2024	June 25, 2024	August 12, 2024	September 19, 2024	October 16, 2024	October 30, 2024	December 11, 2024	December 12, 2024	December 16, 2024	February 7, 2025	March 26, 2025	
Executive Director														
Mr. Sanjay Sharma, Managing Director	03337545	November 27, 2013	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Directors														
Dr. Govinda Rajulu Chintala, Chairperson of the Board	03622371	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Kanika Tandon Bhal	06944916	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sanjaya Gupta	02939128	September 1, 2023	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
Mr. Vinay Baijal#	07516339	August 16, 2024	NA	NA	NA	✗	✗	✓	✓	✓	✓	✓	✓	✓
Ms. Padmaja Nair$	06841868	October 17, 2024	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	✓	NA
Non-Executive Non-Independent Directors														
Mr. Kartik Srivatsa* (Representing LGT Capital Invest Mauritius PCC with Cell E/VP as Equity Investor)	03559152	February 20, 2020	✓	✓	✓	✓	✓	✗	✓	NA	NA	NA	NA	✓
Mr. Kaushik Anand Kalyana Krishnan* (Representing A91 Emerging Fund I LLP as Equity Investor)	07719742	October 9, 2020	✓	✓	✓	✓	✗	✗	✗	NA	NA	NA	NA	✓
Mr. Navroz Darius Udwadia* (Representing Alpha Wave India I LP as Equity Investor)	08355220	March 12, 2019	✗	✓	✓	✗	✗	✗	✗	NA	NA	NA	NA	✗
Mr. Vivek Kumar Mathur* (Representing Elevation Capital V Limited as Equity Investor)	03581311	June 29, 2016	✓	✓	✓	✓	✓	✓	✗	NA	NA	NA	NA	✗
Mr. Gaurav Malhotra^ (Representing British International Investment plc as Equity Investor)	07640504	June 26, 2024	NA	NA	✓	✓	✓	✓	✓	NA	NA	NA	NA	✗
Mr. Aditya Misra@ (Representing IMP2 Assets Pte. Ltd. as Equity Investor)	09376632	September 28, 2024	NA	NA	NA	NA	✗	✓	✗	✓	✗	✓	✓	NA

#Mr. Vinay Baijal appointed as the Independent Director on the Board of the Company w.e.f. August 16, 2024.
$Ms. Padmaja Nair appointed as the Independent Director on the Board of the Company w.e.f. October 17, 2024.
*Resigned w.e.f. December 12, 2024.

^Mr. Gaurav Malhotra appointed as the Non-Executive Non-Independent Director on the Board of the Company w.e.f. June 26, 2024 and resigned w.e.f. December 12, 2024.
@Mr. Aditya Misra appointed as the Non-Executive Non-Independent Director on the Board of the Company w.e.f. September 28, 2024.

(iii) Change in the composition of the Board during the FY 2024-25

Sr. No.	Name of Director	Designation	Nature of Change	Date of Effective/Change
1.	Mr. Gaurav Malhotra	Non-Executive Non-Independent Director	Appointment	June 26, 2024
2.	Mr. Vinay Baijal	Independent Director	Appointment	August 16, 2024
3.	Mr. Aditya Misra	Non-Executive Non-Independent Director	Appointment	September 28, 2024
4.	Ms. Padmaja Nair	Independent Director	Appointment	October 17, 2024
5.	Mr. Kartik Srivatsa	Non-Executive Non-Independent Director	Cessation	December 12, 2024
6.	Mr. Kaushik Anand Kalyana Krishnan	Non-Executive Non-Independent Director	Cessation	December 12, 2024
7.	Mr. Navroz Darius Udwadia	Non-Executive Non-Independent Director	Cessation	December 12, 2024
8.	Mr. Vivek Kumar Mathur	Non-Executive Non-Independent Director	Cessation	December 12, 2024
9.	Mr. Gaurav Malhotra	Non-Executive Non-Independent Director	Cessation	December 12, 2024

(iv) Number of Directorship/Committee positions of directors as on March 31, 2025 (including the Company)

Sr. No.	Name of the Director	No. of Directorships (including Aye Finance)	Directorship			Committee Positions* (Audit & Stakeholders Relationship Committee)	
			Equity Listed	Unlisted Public	Private Limited	Chairperson	Member (incl. as Chairperson)
1.	Dr. Govinda Rajulu Chintala	5	-	4	1	3	5
2.	Ms. Kanika Tandon Bhal	3	-	3	-	-	-
3.	Ms. Padmaja Nair	2	-	1	1	-	-
4.	Mr. Sanjaya Gupta	1	-	1	-	-	2
5.	Mr. Vinay Baijal	5	-	1	4	-	1
6.	Mr. Sanjay Sharma	2	-	2	-	-	1
7.	Mr. Aditya Misra	1	-	1	-	-	1

* For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, High Value Debt Listed Entity have been included; whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded.

(v) None of the Directors of the Company are related to each other.

(vi) None of the Non- Executive Director held any shares and convertible instruments in the Company.

(vii) Familiarisation Programme

On an ongoing basis, the Company endeavors to keep the Independent Directors informed with matters relating to the industry, operations, business model of the Company and regulatory landscape & amendments etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details of the familiarisation programme of the Independent Directors are available on the website of the Company at https://www.ayefin.com/wp-content/uploads/2024/03/Familiarization-Programme.pdf.

The Independent Directors have been made aware of their respective roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

(viii) Core Skills/expertise/competence of the Board of Directors

In the table below, the specific areas of focus or expertise of individual Board Members as on March 31, 2025 have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill:

Name of Director	Area of expertise				
	Management & Leadership	Financing & Investment	Regulatory, Compliance & Governance	Information Technology	Strategy & Planning
Dr. Govinda Rajulu Chintala	✓	✓	✓	✓	✓
Mr. Sanjay Sharma	✓	✓	✓	✓	✓
Mr. Sanjaya Gupta	✓	✓	✓	✓	✓
Ms. Kanika Tandon Bhal	✓	×	✓	×	✓
Mr. Vinay Baijal	✓	✓	✓	✓	✓
Mr. Aditya Misra	✓	✓	✓	✓	✓
Ms. Padmaja Nair	✓	✓	✓	×	✓

(ix) Confirmation regarding Independence of Independent Directors

In the opinion of the Board, the Independent Directors continues to meet the criteria of independence as specified in the Act, SEBI Listing Regulations and RBI Master Directions and are Independent to the Management of the Company. The terms and conditions of appointment of independent directors are available on the website of the Company at www.ayefin.com

(x) Independent Directors' Meeting

In accordance with the requirement of Schedule IV of the Act and Regulation 62N of the SEBI Listing Regulations (corresponding to Regulation 25 of SEBI Listing Regulations), during the FY 2024-25, a separate Meeting of the Independent Directors was held, without the presence of Non-Independent Directors and member of the management, on March 25, 2025 to discuss and review the following:

- Performance of non-independent directors and the Board of Directors as a whole;
- Performance of the Chairperson of the Company, considering the views of Executive and Non-Executive Directors; and
- Quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present in the meeting.

(xi) None of the Independent Director had resigned from the Board of the Company during the FY 2024-25.

(C) COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted various committees, as required under the Act, SEBI Listing Regulations, RBI Master Directions and other directions/circulars/notifications issued by RBI time to time, to address specific areas of responsibility. These committees are authorised to make informed decisions and formulate recommendations to the Board within their defined scopes. All committee decisions and recommendations are duly presented to the Board for informational purposes or formal approval, as appropriate. Operating under their respective charters, the committees function as empowered agents of the Board. Performance against agreed-upon targets and directed actions is subject to periodic review, with mid-course adjustments implemented as required. The minutes of all committee meetings are circulated to the Board for discussion and noting.

The composition and functioning of these Committees are in accordance with the applicable provisions of the Act, SEBI Listing Regulations, RBI Master Directions and other directions/circulars/notifications issued by RBI, as applicable to the Company.

As on March 31, 2025, the following Committees of the Board were in operation:

- Audit Committee;
- Risk Management Committee;

- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee;
- Nomination and Remuneration Committee;
- Asset & Liabilities Committee;
- IT Strategy Committee;
- Initial Public Offering ("IPO") Committee;
- Working Committee of Asset & Liabilities Committee (**"WALCO"**); and
- Securities Allotment Committee

(i) AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 62F of the SEBI Listing Regulations (corresponding to Regulation 18 of SEBI Listing Regulations) read with Part C of Schedule II of the SEBI Listing Regulations, Section 177 of the Act and the RBI Master Directions, as amended.

The Audit Committee *inter-alia* oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the applicable laws. The Audit Committee also reviews the performance of the Statutory Auditors, Internal Auditors, adequacy of the internal control system and whistle-blower mechanism.

The Members of the Audit Committee are financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

(a) Brief Description of terms of reference

The Audit Committee is empowered to assist the Board of Directors in overseeing the Company's financial reporting and compliance responsibilities. Its key powers include investigating activities, seeking information from employees, obtaining external advice, and accessing company records.

The Committee's role encompasses:

1. Recommending auditor appointments and fees.
2. Overseeing the financial reporting process to ensure accuracy and compliance.
3. Reviewing financial statements and auditor reports.
4. Monitoring auditor independence and performance.
5. Scrutinising related party transactions and inter-corporate loans.
6. Evaluating internal controls and risk management systems.
7. Ensuring compliance with legal and regulatory requirements.
8. Conducting internal investigations and overseeing whistleblower mechanisms.
9. Approving the appointment of the Chief Financial Officer and reviewing significant financial transactions.

The Committee also reviews management discussions, internal audit reports, and deviations in financial statements, ensuring robust governance and accountability within the organisation.

(b) Composition, Meetings and Attendance

During the FY 2024-25, the Audit Committee met **6 (six) times** on May 24, 2024, August 12, 2024, October 30, 2024, December 11, 2024, December 16, 2024 and February 7, 2025, of which the details of attendance are given below:-

Name of Member	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Dr. Govinda Rajulu Chintala	Chairperson (Independent Director)	6	6	6	100
Mr. Sanjaya Gupta	Member (Independent Director)	6	6	6	100
Mr. Sanjay Sharma*	Member (Managing Director, Executive Director)	6	4	4	100
Mr. Vinay Baijal#	Member (Independent Director)	6	2	2	100
Mr. Aditya Misra#	Member (Non-Executive Non-Independent Director)	6	2	1	50

*Ceased to be member w.e.f. December 12, 2024.
#Inducted as members w.e.f. December 11, 2024.

The Company Secretary acted as the secretary to the Audit Committee.

(ii) RISK MANAGEMENT COMMITTEE

The Risk Management Committee **("RMC")** of the Company has been constituted in line with the provisions of Regulation 62I (corresponding to Regulation 21 of SEBI Listing Regulations) read with Part D of Schedule II of the SEBI Listing Regulations and RBI Master Directions, as amended from time to time.

The Company employs a robust risk management framework, overseen by the RMC and the Board of Directors. RMC proactively manages business risks by monitoring and reviewing risk strategies, overseeing critical risk categories, and enacting strategic mitigation plans.

Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, the Company has appointed Ms. Nancy Gupta as Chief Risk Officer of the Company effective from July 13, 2024 who shall be involved in the process of identification, measurement and mitigation of risks and other roles and responsibilities as stipulated therein.

a) Brief Description of terms of reference

The Risk Management Committee is responsible for reviewing, assessing, and formulating the Company's risk management system and policy. Key functions include:

1. Identifying internal and external risks, including financial, operational, ESG, and cybersecurity risks.
2. Establishing risk mitigation measures and a business continuity plan.
3. Ensuring effective methodologies and systems for risk monitoring and evaluation.
4. Overseeing the implementation and adequacy of the risk management policy, with periodic reviews.
5. Approving processes for risk identification, mitigation, and determining risk tolerance levels.
6. Monitoring compliance with the risk structure and assessing risk exposure.
7. Assisting the Board in risk governance and keeping them informed of discussions and recommendations.
8. Reviewing the Chief Risk Officer's appointment and remuneration.
9. Implementing cybersecurity policies and reviewing risks in new business plans.
10. Coordinating with other committees and monitoring business continuity updates.

The Committee also performs any additional functions as directed by the Board or required by applicable laws.

b) Composition, Meetings and Attendance

During the year under review, the RMC met **4 (four) times** on June 6, 2024, September 13, 2024, December 20, 2024 and February 25, 2025, of which the details of attendance are given below:-

Name of Member	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjaya Gupta	Chairperson (Independent Director)	4	4	4	100
Dr. Govinda Rajulu Chintala	Member (Independent Director)	4	4	4	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	4	4	4	100
Mr. Vinay Baijal*	Member (Independent Director)	4	2	2	100

*Inducted as a member w.e.f. December 11, 2024.

The Company Secretary acted as the secretary to the RMC.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee **("SRC")** of the Company has been constituted in line with the provisions of Section 178(5) of the Act read with Regulation 62H of the SEBI Listing Regulations (corresponding to Regulation 20 of SEBI Listing Regulations). The scope of the SRC includes resolving of grievances of security holders including transfer/ transmission of shares, non-receipt of annual report, issue of new/ duplicate certificates etc.

a) Brief Description of terms of reference

The Stakeholders relationship committee *inter-alia* oversees the investor grievances. The Committee's primary scope is derived from Part D of Schedule II of the SEBI Listing Regulations. It considers and resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b) Composition, Meetings and Attendance

During the year under review, SRC met **2 (two) times** on May 10, 2024 and November 11, 2024, of which the details of attendance are given below:-

Name of the Member	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Dr. Govinda Rajulu Chintala	Chairperson (Independent Director)	2	2	2	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	2	2	2	100
Mr. Vivek Kumar Mathur*	Member (Non-Executive Non-Independent Director)	2	2	2	100
Mr. Sanjaya Gupta	Member (Independent Director)	2	Nil	Nil	NA

*Ceased to be member w.e.f. December 12, 2024.

The Company Secretary acted as the secretary to the SRC.

d) **Name and Designation of the Compliance Officer**

During the financial year ended March 31, 2025, Mr. Vipul Sharma, Company Secretary was designated as Compliance Officer of the Company in accordance with Regulation 6 of SEBI Listing Regulations.

e) **Details of Investor Complaints during FY 2024-25**

S. N.	Particulars	Complaints
i	No. of Complaints outstanding at the beginning of the year	Nil
ii	No. of Complaints received during the FY 2024-25	Nil
iii	No. of Complaints not solved to the satisfaction of investor	Nil
iv	No. of Complaints solved during the FY 2024-25	Nil
v	No. of Complaints pending at the end of FY 2024-25	Nil

(iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee **("CSR Committee")** of the Company has been constituted in accordance with the provisions of Section 135 of the Act and the rules made thereunder to undertake activities as prescribed under Schedule VII of the Act, with powers, *inter-alia*, to make contributions to various corporate foundation or other reputed non-governmental organisation according to its Board approved Corporate Social Responsibility Policy **("CSR Policy")** of the Company. The functions of the CSR Committee includes formulation and review of CSR Policy annually and seek approval from the Board of Directors, formulation of and sharing the CSR action plan along including budget with the Board of Directors, monitor the utilisation of the allocated amount on CSR activities and create a transparent monitoring mechanism of CSR initiatives, submit periodic reports (once in six months at the minimum) to the Board for the activities undertaken and monitor the impact created by the Company through its CSR initiatives.

a) **Brief Description of terms of reference**

The Committee is responsible for formulating the CSR policy and obtaining Board approval, reviewing it annually, and creating a CSR action plan with a budget for the year. It implements activities through its Section 8 Company, FAME, or other permitted means, while monitoring the approved spending on CSR initiatives and establishing a transparent monitoring mechanism. The committee submits periodic reports to the Board at least once in every six months and continuously monitors the CSR policy.

b) **Composition, Meetings and Attendance**

During the FY 2024-25, CSR Committee met 3 (three) times on May 10, 2024, November 15, 2024 and January 30, 2025 of which the details of attendance are given below:-

Name of the Members	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Ms. Kanika Tandon Bhal	Chairperson (Independent Director)	3	3	3	100
Mr. Kartik Srivatsa*	Member (Non-Executive Non-Independent Director)	3	2	2	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	3	3	3	100
Ms. Padmaja Nair**	Member (Independent Director)	3	1	1	100

*Ceased to be member w.e.f. December 12, 2024.

**Inducted as member w.e.f. December 11, 2024.

The Company Secretary acted as the secretary to the CSR Committee.

(v) NOMINATION AND REMUNEARTION COMMITTEE

The Nomination and Remuneration Committee **("NRC")** of the Company has been constituted in line with the provisions of Section 178 of the Act, Regulation 62G of the SEBI Listing Regulations (corresponding to Regulation 19 of SEBI Listing Regulations) read with Part D of Schedule II of the SEBI Listing Regulations and the RBI Master Directions, as amended from time to time.

NRC lays down the criteria for identifying the persons to be appointed as directors or appointed as part of Senior Management and ensures/determines fit and proper attributes/qualifications of proposed/existing Directors.

NRC under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director on the Board, including the Executive and Independent Directors.

a) Brief Description of terms of reference

The committee is tasked with formulating criteria for director qualifications and independence, recommending a remuneration policy for directors and key personnel, and evaluating the performance of independent directors and the Board. It identifies suitable candidates for directorships, ensures Board diversity, and analyzes human resource matters. The committee also determines executive directors' remuneration packages, administers employee stock option plans, and ensures compliance with securities laws. Additionally, it performs any other functions as mandated by the Board or applicable regulations.

b) Composition, Meetings and Attendance

During the FY 2024-25, the NRC met **5 (five) times** on May 22, 2024, June 25, 2024, November 12, 2024, February 3, 2025 and March 26, 2025, of which the details of attendance are given below:-

Name of Members	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Ms. Kanika Tandon Bhal	Chairperson (Independent Director)	5	5	5	100
Mr. Sanjaya Gupta	Member (Independent Director)	5	5	4	80
Mr. Kaushik Anand Kalyana Krishnan^	Member (Non-Executive Non-Independent Director)	5	3	3	100
Mr. Vinay Baijal*	Member (Independent Director)	5	2	2	100

^Ceased to be member w.e.f. December 12, 2024.

*Inducted as a member w.e.f. December 11, 2024.

The Company Secretary acted as the secretary to the NRC.

Criteria for Performance Evaluation of Directors

The Annual Performance Evaluation of the directors (including Chairperson), Committees and the Board as a whole was carried out in compliance with the requirement of the Act and as per SEBI Listing Regulations. The criteria, manner of performance evaluation and related details are given in the Directors' Report.

(vi) ASSET AND LIABILITIES COMMITTEE

The Asset and Liabilities Committee **("ALCO")** of the Company has been constituted in accordance with RBI Master Directions, as amended from time to time.

The function of ALCO is to manage the Liquidity Risk, formulate liquidity risk management policy, strategies and practices, Institute robust Management Information System to manage and monitor liquidity risks, define & monitor Internal Controls.

a) Brief Description of terms of reference

The committee is responsible for periodically reviewing key policies related to capital, asset/liability management, investments, funding, and pricing, and recommending final versions for Board approval while monitoring compliance.

It also reviews capital structure plans, asset and liability mixes, and term loan requirements, amending the investment policy as needed. Additionally, the committee may form and delegate authority to a working committee when appropriate.

b) Composition, Meetings and Attendance

During the FY 2024-25, the ALCO met **4 (four) times** on May 23, 2024, August 9, 2024, November 14, 2024 and February 18, 2025, of which the details of attendance are given below:

Name of Members	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjay Sharma	Chairperson (Managing Director, Executive Director)	4	4	4	100
Mr. Vivek Kumar Mathur*	Member (Non-Executive Non-Independent Director)	4	3	3	100
Mr. Navroz Darius Udwadia*	Member (Non-Executive Non-Independent Director)	4	3	0	0
Mr. Vinay Baijal#	Member (Independent Director)	4	1	1	100
Mr. Aditya Misra#	(Member) (Non-Executive Non-Independent Director)	4	1	1	100
Mr. Utsav Mitra*	Member (Representative- Alpha Wave India I LP)	4	3	1	33.33
Mr. Krishan Gopal	Member (Chief Financial Officer)	4	4	4	100
Mr. Niraj Kumar Kaushik	Member (Deputy-CEO)	4	4	2	50
Mr. Kapil Goyal**	Member (Head of Internal Audit & Vigilance)	4	2	2	100
Ms. Nancy Gupta^	Member (Chief Risk Officer)	4	2	2	100
Mr. Piyush Maheshwari$	Member (Head of Credit & Field Operations)	4	1	1	100

*Ceased to be member w.e.f. December 12, 2024;
**Ceased to be member w.e.f. August 12, 2024.
^Inducted as a member w.e.f. August 12, 2024
#Inducted as a member w.e.f. December 11, 2024.
$Inducted as a member w.e.f. February 7, 2025.

The Company Secretary acted as the secretary to the ALCO.

(vii) IT STRATEGY COMMITTEE

The IT Strategy Committee (**"ITSC"**) of the Company has been constituted in terms of the provisions of Reserve Bank of India Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended from time to time.

ITSC shall be responsible for overall evaluation, providing direction, and monitoring of the IT Governance Framework.

a) Brief Description of terms of reference

The committee is responsible for approving IT strategy and policy documents, ensuring alignment with business objectives, and guiding the preparation of the IT strategy. It assesses and manages IT and cybersecurity risks, ensures budget allocations are appropriate for the Company's IT maturity and threat environment, and reviews the effectiveness of Business Continuity Planning and Disaster Recovery Management annually. Additionally, the committee reviews and amends IT strategies in line with corporate policies, balances IT investments with associated risks, and monitors Cyber Security KPIs and RBI compliance.

b) Composition, Meetings and Attendance

During FY 2024-25, the Committee met **4 (four) times** on May 14, 2024, August 30, 2024, December 30, 2024 and February 18, 2025 of which the details of attendance are given below:-

Name of Members	Designation	No. of meetings held during the FY 2024-25			% of attendance
		Total no. of meetings	Entitled to attend	Attended	
Mr. Sanjaya Gupta	Chairperson (Independent Director)	4	4	3	75
Mr. Vinay Baijal*	Member (Independent Director)	4	2	2	100
Mr. Sanjay Sharma	Member (Managing Director, Executive Director)	4	4	4	100
Mr. Niraj Kumar Kaushik	Member (Deputy CEO)	4	4	3	75
Mr. Krishan Gopal	Member (Chief Financial Officer)	4	4	4	100
Mr. Ujual George	Member (Chief Operating Officer)	4	4	3	75
Mr. Jinu Joseph	Member (Chief Technology Officer)	4	4	4	100
Mr. Kaushik Anand Kalyana Krishnan^	Member (Non-Executive Non-Independent Director)	4	2	2	100
Ms. Nancy Gupta#	Member (Chief Risk Officer)	4	3	3	100
Mr. Piyush Maheshwari#	Member (Head of Credit & Field Operations)	4	3	3	100
Mr. Harish Kumar Arora#	Member (Chief Information Security Officer)	4	3	3	100

*Inducted as member w.e.f. December 11, 2024.
^Ceased to be member w.e.f. December 12, 2024.
#Inducted as member w.e.f. August 12, 2024.

The Company Secretary acted as the secretary to the ITSC.

(viii) INITIAL PUBLIC OFFERING ("IPO") COMMITTEE

The IPO Committee was constituted by the Board of Directors in their meeting held on December 11, 2024, for the purpose of issue and listing the Equity Shares on one or more of the Stock Exchanges.

No meeting of IPO Committee held during the financial year 2024-25.

As on March 31, 2025, the composition of IPO Committee is as follows:

Sr. No.	Name of the Member	Designation
1.	Dr. Govinda Rajulu Chintala	Chairperson (Chairperson of Board & Independent Director)
2.	Mr. Vinay Baijal	Member (Independent Director)
3.	Mr. Sanjaya Gupta	Member (Independent Director)
4.	Mr. Sanjay Sharma	Member (Managing Director, Executive Director)
5.	Mr. Aditya Misra	Member (Non-Executive Non-Independent Director)

The Company Secretary acted as the secretary to the IPO Committee.

(ix) WORKING COMMITTEE OF ASSET AND LIABILITIES COMMITTEE ("WALCO")

The WALCO broadly consider, review and approve routine matters of the Company which includes but not limited to evaluation and approval of various proposals for borrowings, issue of securities and investments etc. in ordinary course of business within the limits authorised by the Board/shareholder. Moreover, the Committee also consider and approve various Banking operations for smooth functioning and other general purposes of the Company as may be authorised/ delegated by the Board from time to time.

During the FY 2024-25, the Committee met 44 (Forty Four) times. The details of attendance and the composition of WALCO as on March 31, 2025 are given below:

Sr. No.	Name of the Member	Designation	No. of meetings held during the FY 2024-25			% of attendance
			Total no. of meetings	Entitled to attend	Attended	
1.	Mr. Sanjay Sharma	Chairperson (Managing Director, Executive Director)	44	44	43	97.73
2.	Mr. Niraj Kumar Kaushik	Member (Deputy CEO)	44	44	41	93.18
3.	Mr. Krishan Gopal	Member (Chief Financial Officer)	44	44	44	100
4.	Mr. Aman Chauhan	Member (Head-Treasury)	44	44	44	100
5.	Mr. Pradeep Kumar Soni	Member (Finance Controller)	44	44	42	95.45

The Company Secretary acted as the secretary to the WALCO. The WALCO of the Company has been constituted in line with the provisions of Section 179(3) of the Act.

(x) SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee **("SAC")** forms to take necessary approvals for allotment of securities of the Company. Followings were the members of the SAC as on March 31, 2025:-

Sr. No.	Name of the Member	Designation
1.	Mr. Sanjay Sharma	Chairperson (Managing Director, Executive Director)
2.	Ms. Padmaja Nair*	Member (Independent Director)
3.	Mr. Aditya Misra*	Member (Non-Executive Non-Independent Director)
4.	Mr. Niraj Kumar Kaushik	Member (Deputy CEO)
5.	Mr. Krishan Gopal	Member (Chief Financial Officer)
6.	Mr. Vivek Kumar Mathur#	Member (Non-Executive Non-Independent Director)
7.	Mr. Kartik Srivatsa#	Member (Non-Executive Non-Independent Director)

*Inducted as members w.e.f. December 11, 2024
#Ceased to be members w.e.f. December 12, 2024

The Company Secretary acted as the secretary to the SAC.

During the FY 2024-25, SAC had passed all 10 (Ten) resolutions i.e. 10 (ten), through resolution by circulation and the same were placed before Board in immediate next Board Meeting for its review and noting.

(D) SENIOR MANAGEMENT PERSONNEL

The Board of Directors, based on the recommendation of NRC, has identified group of Senior Management Personnel(s) ('SMPs'), in accordance with regulation 62B(1)(d) of the SEBI Listing Regulations (corresponding to Regulation 16(1)(d) of SEBI Listing Regulations) and Section 178 of the Act.

As on March 31, 2025, the following officials are categorised as SMPs of the Company:

Sr. No.	Employee Name	Designation
1	Mr. Sanjay Sharma	Managing Director, Executive Director
2	Mr. Niraj Kumar Kaushik	Deputy CEO
3	Mr. Ujual George	Chief Operating Officer
4	Mr. Krishan Gopal	Chief Financial Officer
5	Mr. Jinu Joseph	Chief Technology Officer
6	Mr. Vipul Sharma*	Company Secretary, Compliance Officer & Chief Compliance Officer
7	Ms. Nancy Gupta**	Chief Risk Officer
8	Mr. Sovan Satyaprakash	Head of Strategy & Product
9	Mr. Ankur Sharma	Head of Human Resources
10	Mr. Tejamoy Ghosh	Head of Data Science & Artificial Intelligence
11	Mr. Piyush Maheshwari	Head of Credit & Field Operations
12	Mr. Akash Damodar Purswani	Head of Collection
13	Mr. Kapil Goyal	Head of Internal Audit & Vigilance

*Mr. Vipul Sharma was designated as SMP effective from May 25, 2024 succeeding Ms. Tripti Pandey who designated as Deputy Company Secretary of the Company.

**Ms. Nancy Gupta was designated as SMP effective from August 12, 2024.

(E) REMUNERATION TO DIRECTORS

(i) During FY 2024-25, there were no pecuniary relationship/transactions of any non–executive directors with the Company, other than sitting fee paid to them for attending Board/Committee meetings.

(ii) Criteria of making payments to non-executive directors

Non-executive directors play a crucial role in corporate governance by providing independent oversight and strategic guidance. They are not involved in the Company's day-to-day operations, which allows them to offer an objective perspective on the executive team's decisions. Their responsibilities include scrutinising the Company's performance, ensuring adherence to ethical and legal standards and contributing their expertise to the board's strategic planning. Essentially, they act as a vital check and balance, safeguarding the interests of shareholders and other stakeholders.

The criteria of making payments to non–executive directors is well defined in the Nomination & Remuneration policy of the Company which is hosted on Company's website and can be accessed at https://www.ayefin.com/wp-content/uploads/2024/12/Nomination-and-remuneration-policy.pdf

(iii) Remuneration paid to Directors

A. Details of payment to Executive Director

The disclosure in respect of remuneration paid to Managing Director of the Company for the FY 2024-25 given below:

(in ₹ Crore)

Particulars	Mr. Sanjay Sharma Managing Director, Executive Director
Salary	2.84
Provident Fund	0.17
Gratuity	-
Leave Encashment	0.06
Approximate value of perquisites	0.41
Bonus (Performance linked incentives)	0.73
Total	4.21

Particulars	Mr. Sanjay Sharma Managing Director, Executive Director
Present period of agreement for remuneration/appointment	July 5, 2024 to July 4, 2029

Appointment of Managing Director is contractual and is terminable on 90 days' notice or by payment of Basic Salary in lieu thereof. No severance fee is payable to Managing Director.

A suitable component of remuneration payable to the Managing Director is linked to their individual performance as well as business performance of the Company.

During the FY 2024-25, the Company paid only the sitting fees to all the Non-Executive Directors within the ceiling of ₹ 1 Lakh per meeting as prescribed under the Act and the rules made thereunder.

B. Detail of payments made to Non-Executive Directors towards sitting fee during the financial year 2024-25 is as under:

(Amount in ₹ Crore)

Sr. No	Name of the Director (Independent Director)	Sitting Fee
1.	Dr. Govinda Rajulu Chintala	0.15
2.	Ms. Kanika Tandon Bhal	0.11
3.	Ms. Padmaja Nair	0.05
4.	Mr. Sanjaya Gupta	0.13
5.	Mr. Vinay Baijal	0.07
Total		**0.49**

As on March 31, 2025, there is no stock option plans for any of its directors including Managing Director/Executive Directors of the Company.

C. Payment to Non-Executive and Non-Independent Director: Nil

(F) GENERAL BODY MEETINGS

(i) The details of the Annual General Meetings ("AGM") held in the last three years are as follows:

Financial Year	Location	Date	Time	Whether any Special Resolutions passed
2023-24	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 27, 2024	4:00 P.M. (IST)	1. To increase the Borrowing Limit of the Company from ₹ 4,000 Crores to ₹ 7,000 Crores under Section 180(1)(c) of the Companies Act, 2013 2. Creation of Charges on the Movable and/or Immovable Properties of the Company, Both present and future, under Section 180(1)(a) of the Companies Act, 2013 in respect of Borrowings of the Company 3. Issuance of Non-Convertible Debentures in one or more tranches on private placement basis
2022-23	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 29, 2023	4:00 P.M. (IST)	1. To Consider, Discuss and Approve the blanket borrowing limit of ₹ 4,000 crores (Indian Rupees Four Thousand Crores Only) 2. To Consider, Discuss and Approve the issuance of Non-Convertible Debentures amounting upto ₹ 3,000 Crores (Indian Rupees Three Thousand Crores Only)
2021-22	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 29, 2022	4:00 P.M. (IST)	To Consider, Discuss and Approve the Issuance of Non-Convertible Debentures amounting upto ₹ 2,500 Crores (Indian Rupees Two Thousand Five Hundred Crores Only)

- All the resolutions moved at the last three AGMs were passed by the requisite majority of the members.
- During the FY 2024-25, no resolutions have been passed through postal ballot. Further, there was no proposal to transact any business that requires the passing of resolution through postal ballot.

(ii) The details of the Extra-Ordinary General Meetings ("EGM") held during the FY 2024-25 are as follows:

Financial Year	Location	Date	Time	Particulars of Resolutions passed
2024-25	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	June 26, 2024	4:00 P.M. (IST)	1. Approval for the appointment of Mr. Gaurav Malhotra (DIN: 07640504) as Non-Executive Non-Independent Director of the Company representing British International Investment Plc 2. Approval for the continuity of the Directorship of Mr. Navroz Darius Udwadia (DIN: 08355220) as Non-Executive Non-Independent Director of the Company representing Alpha Wave India I LP 3. Approval for the continuity of the Directorship of Mr. Vivek Kumar Mathur (DIN: 03581311) as Non-Executive Non-Independent Director of the Company representing Elevation Capital V Limited 4. Approval for the continuity of the Directorship of Mr. Kartik Srivatsa (DIN: 03559152) as Non-Executive Non-Independent Director of the Company representing LGT Capital Invest Mauritius PCC with Cell E/VP 5. Approval for continuity of the Directorship of Mr. Kaushik Anand Kalyana Krishnan (DIN:07719742) as Non-Executive Non-Independent Director of the Company representing A91 Emerging Fund I LLP 6. Approval for the re-appointment of Mr. Sanjay Sharma (DIN: 03337545) as Managing Director (Whole Time Key Managerial Personnel) of the Company 7. Approval of 'Aye Finance Employee Stock Option Plan 2024'
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	August 16, 2024	4:00 P.M. (IST)	1. Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company 2. Adoption of Amended 'Aye Finance Employee Stock Option Plan 2024' of the Company 3. Approval for the Appointment of Mr. Vinay Baijal (DIN: 07516339), as an Independent Director of the Company
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 19, 2024	6:00 P.M. (IST)	To create, offer, and issue 21,39,125 Equity Shares through Private Placement/Preferential Allotment (collectively referred to as "Issue") and circulation of the Private Placement Offer Letter

CORPORATE GOVERNANCE REPORT (CONTD.)

Financial Year	Location	Date	Time	Particulars of Resolutions passed
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	September 28, 2024	6:00 P.M. (IST)	1. Adoption of amended and restated Articles of Association of the Company 2. Adoption of amended 'Aye Finance Employee Stock Option Plan 2024' of the Company 3. Appointment of Mr. Aditya Misra (DIN: 09376632) as Non-Executive Non-Independent Director of the Company representing IMP2 Assets Pte. Ltd.
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	October 17, 2024	3:00 P.M. (IST)	1. Approval for the reclassification of Authorised Share Capital & consequent Amendment to the Capital Clause in the Memorandum of Association of the Company 2. Approval for the sub-division of Equity Shares from face value of ₹ 10/- per share to ₹ 2/- per share and consequent Amendment to the Memorandum of Association of the Company 3. Approval for the conversion of Company from Private Limited to Public Limited and consequent Alteration in Memorandum and Articles of Association of the Company 4. Approval for the appointment of Ms. Padmaja Nair (DIN: 06841868), as Non-Executive & Independent Director of the Company
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	December 11, 2024	5:30 P.M. (IST)	1. Approval for raising of capital through an Initial Public Offering ("IPO") of Equity Shares, including any discount and reservation contemplated in the Offer and Pre-IPO placement 2. Approval for the amendment in the Employee Stock Option Plan 2016 3. Approval for amendment in the Employee Stock Option Plan 2020 4. Approval for amendment in the Employee Stock Option Plan 2024 5. Approval for the variation in terms of Appointment of Mr. Sanjay Sharma (DIN: 03337545) as Managing Director (Whole Time Key Managerial Personnel) 6. Approval for the variation in terms of Appointment of Mr. Aditya Misra (DIN: 09376632) as Non-Executive Non-Independent Director 7. Ratification for the transfer of 1,17,032 Ungranted Options from Employee Stock Option Plan, 2016 to Employee Stock Option Plan, 2020
	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	December 13, 2024	11:00 A.M. (IST)	Adoption of new Articles of Association of the Company

All the above resolutions were passed by the requisite majority of the members.

(G) MEANS OF COMMUNICATION

- The Company has implemented a separate section as **"Investor Relations"** on its website i.e. www.ayefin.com where the pertinent information related to material development in the Company including any official news releases are disseminated in organised manner for ease of access by its shareholders and stakeholders.
- The Quarterly, Half-Yearly, Annual Financial Results & Annual Reports were timely intimated to the BSE Limited and India International Exchange (IFSC) Ltd for dissemination at their website and were also uploaded on the website of the Company.
- The Company generally publishes its Financial Results in leading business newspaper, namely "Financial Express (English)" in compliance with the SEBI Listing Regulations.
- The Company is not required to display any presentations made to institutional investors or to analysts on its website.

(H) GENERAL SHAREHOLDER INFORMATION

(i) Ensuing 32nd Annual General Meeting (AGM):

Day, Date and Time	Friday, September 26, 2025 at 3:00 P.M (IST)
Venue	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") from Registered Office/ Corporate Office

(ii) Financial Year: The Company follows the Financial Year starting from April 1 to March 31 every year.

(iii) Dividend payment: To grow the business line of the Company, the Directors have not recommended any dividend on equity shares for the year ended March 31, 2025.

(iv) Listing of Securities:

- **Privately Placed Non- Convertible Debentures**

  The Company has issued privately placed Non-Convertible Debentures, which are listed on Wholesale Debt Market Segment of BSE Limited at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra. Further, the Company has paid Annual Listing Fees to BSE Limited, where its Non-Convertible Debentures are listed.

- **Privately Placed Non- Convertible USD Denominated Bonds**

  The Company has also issued privately placed Non-Convertible USD denominated Bonds, which are listed on India International Exchange (IFSC) Ltd at 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar-382355, Gujarat. Further, the Company has paid Annual Listing Fees to India International Exchange (IFSC) Ltd, where its Non-Convertible USD denominated Bonds are listed.

- **Details of suspension of securities from trading**- Nil

(v) Registrar to an issue and Share Transfer Agent

Sr. No.	Name of Security	Registrar & Transfer Agent
1.	Equity Shares	**KFin Technologies Limited ('Kfin')** (formerly known as KFin Technologies Private Limited) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Website: - www.kfintech.com E- mail: - unlservices@kfintech.com SEBI Reg No.: INR000000221
2.	Non-Convertible Debentures	

(vi) Share Transfer System

The work related to dematerialisation/ rematerialisation is handled by KFin through connectivity with NSDL and Central Depository Services (India) Ltd. During the Financial Year 2024-25, Shares of the Company were allowed to transfer in both modes i.e. Physical & Demat.

Post conversion from Private Limited to Public Limited, Trading in Equity Shares of the Company is permitted only in dematerialised form.

(vii) Distribution of shareholding on diluted basis as on March 31, 2025

Category	Number of Shareholders	Number of Fully Paid up Equity Shares	% of Shareholding
Promoters and Promoter Group	0	0	0.00
Public	20	18,89,40,100	98.54
Non-Promoter Non-Public	1	28,01,470	1.46
Total	21	19,17,41,570	100.00

(viii) Dematerialisation of Shares and Liquidity:

Equity Shares of the Company are traded under compulsory dematerialised mode and are available for trading under both the depositories i.e. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE501X01029.

As on March 31, 2025, 100% of the Equity Shares of the Company representing 19,17,41,570 Equity Shares were held in dematerialised form.

(ix) Outstanding Global Depository Receipts ("GDRs") /American Depository Receipts ("ADRs") / Warrants or any Convertible Instruments, Conversion date and likely impact of equity:

The Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on March 31, 2025.

(x) Commodity price risk or foreign exchange risk and hedging activities

The Company has borrowed in foreign currency through the External Commercial Borrowing (ECB) route and fully hedges foreign exchange and interest rate risks to fix the rates for the entire tenure of the loan, which helps the Company to mitigate adverse movements in liabilities. To manage this risk, the Company utilises appropriate derivatives and regularly assesses monthly book value movements in liabilities and derivatives, making necessary accounting entries in accordance with accounting standards for mark-to-market (MTM) booking. Furthermore, the Company had Nil Unhedged Foreign Currency Exposure as at March 31, 2025.

(xi) Plant Locations of the Company

The Company being Non-Banking Finance Company does not have any manufacturing plant.

(xii) Address for correspondence:

Name: Mr. Vipul Sharma
Designation: Company Secretary, Compliance Officer & CCO
Registered Office: M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi - 110015 , India.
Corporate Office: Unit No. - 701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Gurugram – 122003, Haryana, India.
Tel No.: 0124-4844000, **E-mail id:** secretarial@ayefin.com and **Website:** www.ayefin.com

(xiii) Credit Ratings as on March 31, 2025

Rating Agency	Instrument	Rating
India Rating and Research	Long Term Bank Loan Commercial Paper Non-Convertible Debentures Securitisation	IND A/Stable IND A1 IND A/Stable IND AA(SO)/Stable / IND AA-(SO)/Stable / IND AA+(SO)/Stable
ICRA Limited	Long Term Bank Loan Securitisation	[ICRA] A (Stable) [ICRA] AA (SO) / [ICRA] A+ (SO) / [ICRA] AA+ (SO)
Care Ratings Limited	Securitisation	CARE AA (SO)

(xiv) Other Disclosures

a) **Disclosures on material related party transactions and Policy on Materiality of Related Party Transactions**

There has been no material significant related party transaction with the Company's Founders, Directors, the Management, its subsidiary or other related parties which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a Related Party Transaction Policy and Policy on Determining Materiality of Transactions **("RPT Policy")** and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

The RPT policy has been uploaded on the website of the Company at https://www.ayefin.com/wp-content/uploads/2024/06/Related-Party-Transaction-Policy-and-Policy-on-Determining-Materiality-of-Transactions.pdf

b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years except as given below:-

(In ₹ Crores)

Name of Stock Exchange	Relevant Regulation of SEBI Listing Regulations	Financial Year	Fines Amount (excluding GST) during last three years	Remarks
BSE Limited	Regulation 13(3)	FY 2022-23	0.003	N.A.
	Regulation 50(1)		0.001	
			0.001	
			0.003	
	Regulation 54(2)		0.011	
			0.011	
	Regulation 57(1)		0.002	
	Regulation 57(4)		0.001	
	Regulation 60(2)		0.001	
			0.001	
			0.001	
			0.002	
	Regulation 60(2)	FY 2023-24	0.001	
			0.002	
	Regulation 60(2)	FY 2024-25	0.001	
		Total	**0.040**	

c) A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct, is provided in the Directors' Report.

d) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, as applicable from time to time.

e) **Policy for determining 'material' subsidiaries**

During the year under review, the Company does not have any material subsidiary. However, the Company has adopted a Policy for Determining 'Material' Subsidiary. The policy is also placed on website of the Company at https://www.ayefin.com/wp-content/uploads/2025/02/Policy-for-Determining-Material-Subsidiary.pdf

f) **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable

g) During the FY 2024-25, the Company has not raised funds under Regulation 32(7A) of SEBI Listing Regulations. Hence, Not Applicable.

h) **Certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

The Company has received a certificate from M/s Neeraj Arora & Associates, practicing company secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory authority. The same is annexed to the report as **Annexure A**.

i) During the year under review, the Board has accepted all mandatory recommendation of Committees.

j) **Fees paid to the Statutory Auditors:**

The details of total fees paid by the Company and its subsidiary on consolidated basis to the statutory auditors are as follows:

(in ₹ Crore)

Sr. No.	Name of the Company	Status of the Company	Amount
1.	Aye Finance Limited	Company	0.86
2.	Foundation for Advancement of Microenterprises	Wholly Owned Subsidiary	0.03
	Total		**0.89**

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year 2024-25 – Nil

b. Number of complaints disposed of during the financial year 2024-25 – Nil

c. Number of complaints pending as on end of the financial year 2024-25 – Nil

l) During the financial year ended March 31, 2025, no loans or advances were provided by the Company to firms/ companies in which directors were interested.

m) As on March 31, 2025, the Company does not have any material subsidiary Company.

(xv) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

(xvi) Compliance Certificate:

Being a High Value Debt Listed Entity, the Company has complied with Corporate Governance Requirements as specified in Regulation 62B to 62Q (corresponding to Regulations 17 to 27) of the SEBI Listing Regulations for the period commencing from April 1, 2024 and ended on March 31, 2025 and the same is annexed to the report as **Annexure B**. Clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations is not applicable to the Company.

(xvii) CEO/CFO certification:

The requisite certification from the Managing Director and Chief Financial Officer for the Financial Year 2024-25 required to be given under Regulations 62D(14) of the SEBI Listing Regulations was placed before the Board of Directors of the Company at its meeting held on May 21, 2025 and the same is annexed to the report as **Annexure C**.

(xviii) As on March 31, 2025, there are no shares in the demat suspense account / unclaimed suspense account.

(xix) Being High Value Debt Listed Entity, Part A of Schedule III of SEBI Listing regulations for disclosure of certain types of agreements binding listing entity is not applicable to the Company.

(xx) Compliance with non-mandatory requirements

The Board

The Chairperson of the Company is a Non-Executive and Independent Director.

Shareholder Rights

The quarterly results of the Company are published in English newspaper (Financial Express), having nation-wide circulation besides uploading the same on the website of the Company and can be accessed on https://www.ayefin.com/financial-statements/ . In view of the forgoing, the quarterly results of the Company are not sent to the Shareholders individually. The complete copy of the Annual Report is sent to the shareholders/debenture holders of the Company.

Modified opinion(s) in audit report

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. Auditors have issued their reports on the Financial statements/ results for financial year ended March 31, 2025, with un-modified opinion.

Separate posts of Chairperson and the Managing Director

The positions of Chairperson and Managing Director are held by two different persons who are not related to each other.

Reporting of internal auditor

The Internal Auditor of the Company reports to the Managing Director of the Company. Separate discussion are being held quarterly between Audit Committee Members and Head of Internal Audit without the presence of Senior Management in compliance with applicable guidelines/circular/notification issued by RBI.

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V, Para C, Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Aye Finance Limited
(Formerly Known as Aye Finance Private Limited)
(CIN: U65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi - 110015

We have examined the relevant records, forms and disclosures received from the Directors of Aye Finance Limited (hereinafter referred as "the Company") having CIN: U65921DL1993PLC283660 and having registered office at M-5, Magnum House-I, Community Centre, Karampura, West Delhi, New Delhi – 110015 , as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V, Para C, Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Name of the Director	Director Identification Number (DIN)
1.	Mr. Sanjay Sharma	03337545
2.	Mr. Vinay Baijal	07516339
3.	Ms. Kanika Tandon Bhal	06944916
4.	Ms. Padmaja Nair	06841868
5.	Mr. Aditya Misra	09376632
6.	Mr. Sanjaya Gupta	02939128
7.	Dr. Govinda Rajulu Chintala	03622371

In our opinion and based on our verification and examination of the disclosures and other information under the Companies Act, 2013 (the "Act") and DIN based search on MCA Portal at www.mca.gov.in, we hereby certify that none of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority/ies for the financial year ending March 31, 2025.

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility of the appointment/ continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Neeraj Arora & Associates**
Company Secretaries
Firm Registration No. S2019DE706400
Firm Peer Review No.- 3738/2023

Neeraj Arora
Proprietor
M. No.- FCS 10781; CP No.- 16186
UDIN – F010781G000899163

New Delhi
July 31, 2025

Annexure B

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of
Aye Finance Limited
(Formerly Known as Aye Finance Private Limited)
(CIN: U65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi - 110015

1. We have examined the compliance of conditions of Corporate Governance by **Aye Finance Limited** ("the Company") for the financial year ended on March 31, 2025 as stipulated under Regulations 17 to 27 and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Regulations 62B to 62Q of Listing Regulations, to the extent applicable.
2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company and our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance of Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Neeraj Arora & Associates**
Company Secretaries
Firm Registration No. S2019DE706400
Firm Peer Review No.- 3738/2023

Neeraj Arora
Proprietor
M. No.- FCS 10781; CP No.- 16186
UDIN – F010781G000899163

New Delhi
July 31, 2025

Annexure C

May 21, 2025

To,
The Board of Directors,
Aye Finance Limited (formerly known as Aye Finance Private Limited)
M-5, Magnum House-I,
Community Centre, Karampura,
West Delhi, New Delhi -110015, India

Sub: Certificate of Managing Director and Chief Financial Officer under Regulation 62D(14) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Board Members,

We, Sanjay Sharma, Managing Director and Krishan Gopal, Chief Financial Officer of the Company do hereby certify that:

A) We have reviewed the financial results for the quarter & year ended March 31, 2025 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee that:

   (i) there is no significant changes in internal control over financial reporting during the period under review;

   (ii) there is no significant changes in accounting policies during the period under review and that the same have been disclosed in the notes to the financial statements; and

   (iii) there is no instances of significant fraud during the period under review of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of
Aye Finance Limited
(formerly known as Aye Finance Private Limited)

Sd/-
(Sanjay Sharma)
Managing Director

Sd/-
(Krishan Gopal)
Chief Financial Officer

ANNEXURE-II

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

(₹ In Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Foundation for Advancement of Micro Enterprises ("FAME"), registered under Section 8 of the Companies Act, 2013
2.	The date since when subsidiary was acquired/ incorporated	04-04-2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4.	Reporting currency and Exchange rate as on March 31, 2025 in the case of foreign subsidiaries	N.A.
5.	Share capital	- Authorised Share Capital- 100 - Issued, Paid up and subscribed Capital - 25
6.	Reserves & surplus	25.26
7.	Total assets	81.52
8.	Total Liabilities	81.52
9.	Investments	Nil
10.	Turnover	316.06
11.	Surplus/(Deficit) before taxation	18.61
12.	Provision for taxation	Nil
13.	Surplus/(Deficit) after taxation	18.61
14.	Proposed Dividend	NA
15.	Extent of shareholding (in %)	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 and on behalf of Board of Directors of
Aye Finance Limited
(Formerly known as Aye Finance Private Limited)

Sd/-
Govinda Rajulu Chintala
(Chairperson and Independent Director)
DIN: 03622371
Date: May 21, 2025
Place: Hyderabad

Sd/-
Sanjay Sharma
(Managing Director)
DIN: 03337545
Date: May 21, 2025
Place: Gurugram

ANNEXURE-III

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024-25

1. **Brief outline on CSR Policy of the Company:**

   Of the total of 63.3 million businesses, in India, around 63 million business lie in the micro scale. Thriving micro-businesses means more jobs, especially for women, young people and vulnerable groups. Supporting micro-businesses boosts progress on more than half of United Nations SDGs. Aye has incorporated Foundation for Advancement of Micro Enterprises ("FAME") to harness the capabilities of the micro-enterprise sectors in India through beyond financing support. FAME, a no profit organization within the meaning of Section 8 of the Companies Act, 2013, was incorporated in Haryana, India on April 4, 2019. The FAME carries out CSR activities in the thematic areas of skilling, livelihood, and promoting gender equality & empowering women which are in line with Schedule VII of the Companies Act, 2013.

   FAME is dedicated to building the capabilities of micro-entrepreneurs promoting sustainable economic growth. FAME recognizes that microentrepreneurs are the backbone of the economy, and by empowering them, it strives to create a positive impact on society. Through skill development, training on manufacturing quality products, adoption of effective marketing techniques and a focus on women empowerment, FAME is creating a sustainable inclusive ecosystem that eliminates poverty and fosters economic growth at the grassroots level.

   FY25 was FAMEs 6th year of operations and FAME deepened its commitment to its vision of empowering micro enterprises and supporting them in becoming an integral component of the Indian Economy.

   FAME delivered over 1 lakh beneficiary engagements during the year, and made the year extra special by delivering value and receiving validations from each of its stakeholders.

   1. FAME conducted its first impact study to capture the socio-economic effect of the Foundation's intervention on its beneficiaries. The research findings underscore the positive impact FAME has made on the lives of its beneficiaries and their communities.
   2. The Ministry of Home Affairs granted FAME the FCRA (Foreign Contribution Regulation Act) Registration
   3. FAME received a special letter of commendation from Aye Finance for the quality outcome & cost effectiveness of FAME's various shoe and sports goods manufacturing centers.
   4. FAME donor, Hindustan Unilever, recognized and rewarded the project the Foundation implemented for them at their Annual Award Event.
   5. FAME was brought on board as a partner by the Ministry of Rural Development for their Lakhpati Didi initiative.

PROGRAMS UNDER IMPLEMENTATION

1. FAME'S DAIRY DEVELOPMENT PROGRAM

FAME instituted this Program in 2019 to address the challenges dairy farmers in rural and semi urban geographies face which restrict their progress along with constricting the development of the entire sector. In India dairying is an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities, particularly for marginal and women farmers. But the Indian Dairy Farmer continues to struggle with various challenges – disease and feed management of their farm and sub optimal profits due to sub optimal scale being the gravest of their concerns.

FAME in the last six years has addressed these challenges for Dairy Farmers in Mathura, Meerut, Hapur, Modi Nagar, Sumerpur, Etah, Orai, Hissar, Alwar, Sikar, Bharatpur, Nabha and Rajpura through collaboration with Amul to open fair price milk collection centers, opening of subsidized shops for dairy inputs and by providing treatment and advisory through certified doctors.

During FY25, FAME delivered the following for the beneficiaries in the dairy sector

1. Conducted over 4,000+ Awareness and Doorstep Veterinary camps
2. Free of cost treatment to 1.1 lakh cattle
3. 5,500 artificial inseminations conducted
4. 86 FAME Service Centers are operational through which:
   a) 14.6 lakh kg of dairy inputs of over ₹ 4.42 crore were sold

ANNEXURE-III (CONTD.)

b) ₹ 50 lakh of savings generated for the beneficiaries

5. 34 Milk Collection Centers opened in collaboration with AMUL (Banas Kantha) through which:

   a) Over 6 lakh liters of milk was sold

   b) ₹ 3 crore of revenue generated for the beneficiaries.

   c) Total Benefit of ₹ 27.24 lakh revenue generated for the beneficiaries. Additionally 5% year-end bonus was also announced .

2. SHOE ARTISAN PROGRAM

Agra is India's main footwear production center, contributing about 65% of total domestic demand and a whopping 28% share of India's overall footwear export. Despite an opportunity this large, the women shoe artisan of the city is not able to benefit as they lack the skills and the confidence to earn a livelihood and make a meaningful contribution to the sector.

FAME launched its Shoes Artisan Program in 2022 to bring the women shoe artisan belonging to marginalized and minority communities of Agra into the forefront of the Shoe Cluster by skilling them and providing them with an opportunity to earn a living.

- 270 Women Shoe Artisans trained - 229 women trained on basic shoe-making skills and 41 on advanced skills
- 247 Women Shoe Artisans getting regular job work
- 1,000 pairs of shoes were manufactured and sold by the women in the local market
- ₹ 50 lakh earned by the women during the year

This program of FAME aligns with Sustainable Development Goals- SDG1 (No poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8(Decent work and Economic growth), SDG 9 (Industry, Innovation and Infrastructure) and SDG 10 (Reduce Inequalities). By supporting women in creating a source of income the Program has made them financially independent, increased their confidence levels and also improved standard of living for their families.

3. DIWA (Development Initiative of Women Association) – Savories Cluster

FAME started a Social Enterprise DIWA (Development Initiative for Women Association) in FY24 to support women belonging to marginalized communities to start their own savories manufacturing enterprise. This year, FAME set up 4 centres, 2 in Hapur and 2 in Meerut and trained the women who manufactured and sold appx 5000 kg of namkeen of value ₹ 5 lakhs. All these women are housewives and, because of the social construct of the village, have never stepped out of their homes to learn a skill or earn a living.

Despite the deep-seeded social inequalities stacked up against them, they have taken this leap of faith towards financial independence and creating an identity for themselves.

Under this, FAME is providing the following support to the women.

- Skilling
- Infrastructure & Machinery Set up
- Establishing Distribution channels – Rural Semi Urban and Urban Markets
- Branding & Marketing
- Financial Management

4. SPORTS CLUSTER DEVELOPMENT PROGRAM

FAME's Sports Cluster Development Program has transformed the landscape of the sports manufacturing industry in Meerut by making women manufacturers active participants in this traditionally male-dominated sector. FAME Trainers provide training to hone the skills of women, which has led to improved and sustainable livelihoods for them.

During the year, 350 women were trained on manufacturing good quality footballs, and FAME linked these women with manufacturers in the city to provide 125 women wage work at higher rates.

Through skill enhancement and forward linkages with large manufacturing units, FAME has increased their income, and the trained women collectively earned approx ₹ 13 lakh and each women averaged ₹ 2,000 per month.

ANNEXURE-III (CONTD.)

5. **KIRANA EMPOWERMENT PROGRAM**

FAME launched its Kirana Empowerment Program to empower the Kirana owners and to support them in improving their business management skills. The Program is helping Kirana store owners in semi-urban and rural areas to build their business on both the supply and consumer sides. FAME runs two interventions under the program -

CAPACITY BUILDING SESSIONS - FAME conducted physical sessions and provided advice to over 500 Kirana owners on various ways to drive operational efficiencies in their business. During these capacity-building sessions, FAME beneficiaries (small Kirana store owners) are educated on the benefits of making small changes like attractive shelving of the products, customized product mix, etc., that can boost sales and build customer loyalty. FAME has been facilitating access to economic sources of finance for those Kirana owners who need additional capital to bring about these changes in their stores. The training covers various aspects of running a successful grocery store - inventory management, shelf management, accounting, building customer loyalty, digitizing payments etc. To expand the reach of program, FAME developed and distributed an advisory booklet that details various aspects of running a good Kirana shop in a pictorial form.

SAKSHAM KIRANA PROJECT – This is FAME's Grants project under which Kirana Stores belonging to women from marginalized communities were provided grants to redevelop, modernize, and digitize their stores to help them expand their customer base, increase revenue, and profitability. This year, FAME redeveloped 10 women-owned grocery stores in Meerut, UP. The women owners were also mentored on various aspects of running an efficient store, including product selection, product display, price elasticity, using digital marketing techniques, etc. The outcomes of this intervention will be tracked for 6 months, although early signs show that the transformation has been effective.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Kanika Tandon Bhal	Non-Executive Independent Director (Chairperson)	3	3
2.	Ms. Padmaja Nair*	Non-Executive Independent Director	3	1
3.	Mr. Sanjay Sharma	Managing Director (Member)	3	3
4.	Mr. Kartik Srivatsa#	Non-Executive Non-Independent Director	3	2

*Ms. Padmaja Nair inducted as member of the Committee w.e.f. December 11, 2024

#Mr. Kartik Srivatsa resigned from the position of Non-Executive Non-Independent Director w.e.f. December 12, 2024 resulting in his cessation from membership of the Committee.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

Composition of CSR committee	https://www.ayefin.com/disclosures/
CSR Policy	https://www.ayefin.com/policies/
CSR projects	https://www.ayefin.com/corporate-social-responsibility/

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8, if applicable: Not Applicable**

5. (a) Average net profit of the Company as per sub-section (5) of section 135 – ₹ **77,61,40,287**

   (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 – ₹ **1,55,22,806**

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – **NIL**

ANNEXURE-III (CONTD.)

(d) Amount required to be set-off for the financial year, if any – **NIL**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ **1,55,22,806**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **1,74,82,615**

(b) Amount spent in Administrative Overheads –**Nil**

(c) Amount spent on Impact Assessment, if applicable – **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **1,74,82,615**

(e) CSR amount spent or unspent for the Financial Year - **Nil**

Amount (in ₹)

Total Amount Spent for the Financial Year	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
Nil	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	NIL
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Amount (in ₹)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	2023-24	-	-	-	-	-	-	-
2.	2022-23	-	-	-	-	-	-	-
3.	2021-22	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: NA

For and on behalf of the Board of Directors of
Aye Finance Limited
(formerly known as Aye Finance Private Limited)

Kanika Tandon Bhal
Chairperson – Corporate Social Responsibility Committee
DIN: 06944916
Place: Delhi
Date: July 31, 2025

Sanjay Sharma
Managing Director
DIN: 03337545
Place: Gurugram
Date: July 31, 2025

ANNEXURE-IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors,
AYE FINANCE LIMITED
(Formerly known as Aye Finance Private Limited)
(CIN: U65921DL1993PLC283660)
M-5, Magnum House-I, Community Centre,
Karampura, West Delhi, New Delhi-110015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aye Finance Limited *(formerly known as Aye Finance Private Limited)*** (hereinafter called the **"Company"**) whose debt securities are listed on BSE Limited (High Value Debt Listed Entity) and in terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the Company has been classified as Middle Layer NBFC. Secretarial Audit for the financial year ended March 31, 2025 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that:

a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2025 (**"Audit Period"**), 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 March 31, 2025 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 thereunder;

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

(v) The following Regulations 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 during the audit period}**;

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018 **{Not applicable during the audit period}**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent of the Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **{Not applicable during the audit period}**;

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable during the audit period}; and

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India which has been generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above except that the BSE Limited ("BSE") imposed a fine of ₹ 11,800/- for deviation under Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to delay of one day in submission of the notice of Record date for the month of April, 2024 for one ISIN.

The Company is engaged in the lending activities as Non-Banking Financial Company regulated by Reserve Bank of India Act, 1934. Thus, Reserve Bank of India Act, 1934 and Rules, Regulations & Directions issued by Reserve Bank of India from time to time, are the laws specifically applicable to the Company. On the basis of management representation and our check on test basis, we are on the view that the Company has adequate system to ensure compliance of laws specifically applicable on it and the Company was complied with the these specifically applicable laws.

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 including woman director. Further, the changes in the board of directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors or members to schedule the Board Meetings or Committee Meetings respectively. Agenda and detailed notes on agenda were sent in advance except in case(s) where meeting was convened at a shorter notice in accordance with the provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- the Board of Directors and the members of the Company convened meetings on August 12, 2024 and August 16, 2024, respectively, during which they approved amendments to the 'Aye Finance Employee Stock Option Plan 2024.' This revision increases the total number of employee stock options from 3,16,459 (Three Lakhs Sixteen Thousand Four Hundred Fifty Nine) to 7,16,459 (Seven Lakhs Sixteen Thousand Four Hundred Fifty Nine);
- the Board of Directors and the members of the Company convened meetings on September 26, 2024 and September 28, 2024, respectively, at which they granted their consent to amend the 'Aye Finance Employee Stock Option Plan 2024.' This amendment increases the total number of employee stock options 7,16,459 (Seven Lakhs Sixteen Thousand Four Hundred Fifty Nine) to 11,16,459 (Eleven Lakhs Sixteen Thousand Four Hundred Fifty Nine);
- the Board of Directors of the Company and the members of the Company at their meeting held on August 12, 2024 and August 16, 2024 respectively accorded their consent to increase the authorized share capital of the Company from ₹ 45,31,00,000/- (Indian Rupees Forty

ANNEXURE-IV (CONTD.)

Five Crores Thirty One Lakhs only) to ₹ 82,00,00,000/- (Indian Rupees Eighty Two Crores only);

- the Board of Directors of the Company and the members of the Company at their meeting held on August 12, 2024 and September 27, 2024 respectively approved the proposal for increase in the borrowing limit of the Company from ₹ 4,000 crore to ₹ 7,000 crore under Section 180(1)(c) of the Companies Act, 2013;
- the Board of Directors of the Company and the members of the Company at their meeting held on August 12, 2024 and September 27, 2024 respectively approved the proposal for creation of charges on the movable and/or immovable properties of the Company, both present and future, under Section 180(1)(a) of the Companies Act, 2013 in respect of borrowings of the Company;
- the Board of Directors and the members of the Company at their meetings held on August 12, 2024 and September 27, 2024, respectively, to approve a proposal for raising funds through the issuance of Non-Convertible Debentures. The total amount authorized for this purpose is up to ₹ 4,000 Crores, to be issued in one or more tranches on a private placement basis;
- the Board of Directors of the Company and the members of the Company at their meeting held on September 19, 2024 and September 19, 2024 respectively accorded their consent for issuance of 21,39,125 Equity Shares through Private Placement/ Preferential Allotment basis;
- the Board of Directors of the Company through resolution by circulation passed on September 23, 2024 accorded their consent for approval of conversion of 3,09,21,692 Cumulative Compulsorily Convertible Preference Shares into 3,04,29,293 equity shares having nominal value of ₹ 10/- each;
- the Board of Directors and the members of the Company at their meeting held on October 16, 2024 and October 17, 2024, respectively, approved the proposal for re-classification of authorized share capital. Consequently, the Capital Clause of the Memorandum of Association of the Company was amended by replacing the existing Clause V with the following new Clause V:

  V. The Authorised Share Capital of the Company is ₹ 82,00,00,000/- (Indian Rupees Eighty Two Crores only) comprising of 8,20,00,000 (Eight Crores Twenty Lakhs) Equity Shares of ₹ 10/- (Indian Rupees Ten only).
- the Board of Directors and the members of the Company at their meeting held on October 16, 2024 and October 17, 2024, respectively, approved the sub-division/ split of existing equity shares of the Company such that 1 (One) equity share having face value of ₹ 10/- (Indian Rupees Ten only) each fully paid-up, be sub-divided/split into such number of equity shares having face value of ₹ 2/- (Indian Rupees Two only) each fully paid-up being the Record Date is October 15, 2024. Consequently, the Capital Clause of the Memorandum of Association of the Company was amended by replacing the existing Clause V with the following new Clause V:

  V. The Authorised Share Capital of the Company is ₹ 82,00,00,000/- (Indian Rupees Eighty Two Crores only) divided into 41,00,00,000 (Forty One Crores) Equity Shares of face value of ₹ 2/- (Indian Rupees Two only) each.
- the Board of Directors and the members of the Company at their meetings held on October 16, 2024, and October 17, 2024, respectively, accorded their approval for conversion of a Company into a Public Limited Company and consequently ROC vide fresh COI dated December 10, 2024 approved conversion and consequently name change from **"AYE FINANCE PRIVATE LIMITED" to "AYE FINANCE LIMITED"**.
- the Board of Directors and the members of the Company at their meeting held on December 11, 2024 approved the proposal to raise funds by way of Initial Public Offering ('IPO') of equity shares of ₹ 2 each ('Equity Shares'). The IPO will consist of a fresh issue of Equity Shares aggregating up to ₹ 8,850 million (subject to any revisions as may be permissible under applicable law), and an offer for sale of Equity Shares aggregating up to ₹ 5,650 million;
- the Board of Directors and the members of the Company, at their meetings held on December 11, 2024, granted their consent to amend the 'Aye Finance Employee Stock Option Plan 2016,' 'Aye Finance Employee Stock Option Plan 2020,' and 'Aye Finance Employee Stock Option Plan 2024' ('Plans') to align them with the regulatory requirements outlined in the SEBI (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021;
- the Board of Directors at their meeting held on December 16, 2024, approved the filing of draft red herring prospectus ('DRHP') with the Securities and Exchange Board of India ('SEBI'). Following this approval, the Company submitted the DRHP to SEBI on

December 17, 2024 and simultaneously applied for in-principal approval from Stock Exchanges for listing of Equity Shares. The Stock Exchanges granted their in-principal approval on March 5, 2025 and SEBI had granted its approval on DRHP on April 3, 2025;

- the Board of Directors and the members of the Company, at their meetings held on December 12, 2024, and December 13, 2024, granted their approval for the substitution of the existing Articles of Association with a new set of Articles of Association for the Company.
- the Company convened its 31st Annual General Meeting on September 27, 2024, and submitted the revised Annual Report to BSE Limited on October 1, 2024, and October 23, 2024 voluntary for factual corrections nothing compliance related changes were made.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 6311/2024

Neeraj Arora
Partner
M. No.: FCS 10781; CP No.: 16186
UDIN: F010781G000394991

New Delhi
May 21, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AYE FINANCE LIMITED (FORMERLY KNOWN AS AYE FINANCE PRIVATE LIMITED)

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **AYE FINANCE LIMITED (Formerly known as AYE FINANCE PRIVATE LIMITED)** ("the Company"), which comprise the Balance sheet as at 31st March 2025, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Key Audit Matters	Auditor's Response
Allowance for Expected Credit Losses (ECL) in respect of loan assets. [Refer Note No. 2.14 for the accounting policy and Note No. 49 for the related disclosures] As at March 31, 2025, the Company has financial assets (loans) amounting to ₹ 5162.89 Crores. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default (PD), loss given default (LGD) and exposure at default (EAD).	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures : • **Walkthrough and Control Assessment:** Conducted a walkthrough of the impairment loss allowance process, assessing the design effectiveness of controls. • **Policy and Compliance Review:** Evaluated the Company's accounting policies for impairment of financial assets for compliance with Ind AS 109 and the Board-approved governance framework per RBI guidelines. • **Model Understanding and Key Inputs:** Gained an understanding of the Company's model for calculating expected credit losses, including key inputs, assumptions, and management overlays, assessing the appropriateness and accuracy of data used. • **Analytical Procedures:** Performed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures.

Key Audit Matters	Auditor's Response
ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	• **Credit Risk Assessment:** Evaluated the Company's determination of significant increase in credit risk, checked compliance with Ind AS 109, and assessed historical data relevance in light of recent impairment losses. Tested loan staging criteria and indicators for loss. • **Controls and Calculation Testing:** Tested the design and operating effectiveness of key controls, accuracy of inputs, and reasonableness of assumptions used in ECL calculations. Verified arithmetic calculations and assessed presentation and disclosures.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

Responsibility of Management for the Financial Statements

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:-
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

   In our opinion and to the best of information and according to explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

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

   iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025.

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

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

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

v. the company has not declared or paid any dividend during the year ended March 31,2025.

vi. Based on our examination which included test checks, the Company has used accounting software and loan management software for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit logs at database level for the accounting software and certain parameters of audit trail were enabled and made effective from September 19, 2024 onwards.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Vijay Kumar
Partner
Membership No. 092671
UDIN: 25092671BMOFBS3886

Place: Gurugram
Date: May 21, 2025

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

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

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

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

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

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

(Amount in ₹ in Crores)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
Hypothecation Loan & Switchpe loan	30,745	74.67	27.97	102.64
Mortgage Loan	371	1.28	1.94	3.22
Quasi-Mortgage Loan	1,595	3.76	1.63	5.39
Total	**32,711**	**79.71**	**31.54**	**111.25**

ANNEXURE "A" (CONTD.)

Based on the information & explanations given to us, reasonable steps have been taken by the

Company for the recovery of the Principal & Interest.

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

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

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

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

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

vii. In respect of statutory dues:

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

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable except Provident fund amount of ₹ 0.22 Crores, Labour Welfare Fund amount of ₹ 0.02 Crores and Professional tax amount of ₹ 0.02 Crores.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:-

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount under dispute (₹ in Crores)	Amount Paid (₹ in Crores)**
The Income Tax Act, 1961	Income Tax Demands	Commissioner of Income Tax (Appeals)	AY 2017-18	2.44	0.48
The Income Tax Act, 1961	Income Tax Demands	Commissioner of Income Tax (Rectification U/S 154)	AY 2023-24	7.60	
The Income Tax Act, 1961	TDS Demands	Commissioner of Income Tax (Appeals)	AY 2018-19	0.54#	
The Income Tax Act, 1961	TDS Demands	Commissioner of Income Tax (Appeals)	AY 2019-20	2.31#	
Goods & Service Tax Act, 2017	GST Demands	Appellate Authority	FY 2020-21	0.09#	0.01

*AY=Assessment Year

**paid under protest

#Includes Interest till date of order

ANNEXURE "A" (CONTD.)

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

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

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

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

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

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

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiary company during the year. Further, the company does not have any associate or joint venture. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

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

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

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of embezzlement of cash by staff, involving amount aggregating to ₹ 0.30 Crores as mentioned in Note No. 53.18 to the financial statements. As informed to us, the Company has terminated the services of such employees and also initiated legal action against them, wherever necessary.

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

(c) We have taken into consideration the whistle blower complaints received by the company during the year, while determining the nature, timing and extent of our audit procedures.

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

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

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

ANNEXURE "A" (CONTD.)

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

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

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

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

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

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

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

xviii. There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.

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

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

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

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

Vijay Kumar
Partner
Membership No. 092671
UDIN: 25092671BMOFBS3886

Place: Gurugram
Date: May, 21 2025

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AYE FINANCE LIMITED (FORMERLY KNOWN AS AYE FINANCE PRIVATE LIMITED).

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

We have audited the internal financial controls with reference to Financial Statements of **AYE FINANCE LIMITED (Formerly known as AYE FINANCE PRIVATE LIMITED)** ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

ANNEXURE "B" (CONTD.)

may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, based on the records, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Kumar
Partner
Membership No. 092671
UDIN: 25092671BMOFBS3886

Place: Gurugram
Date: May 21, 2025

BALANCE SHEET

AS AT MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	3	931.16	526.59
Bank balances other than cash and cash equivalents	4	206.73	203.67
Derivative financial instruments	12	0.24	-
Loans	5	4,950.21	4,003.12
Investments	6	41.76	10.61
Other financial assets	7	60.61	30.66
Total financial assets		**6,190.71**	**4,774.65**
Non-financial assets			
Current tax assets (net)	8	17.89	11.73
Deferred tax assets (net)	9	60.98	43.94
Property, plant and equipment	10A	12.10	8.96
Right of use assets	10B	26.27	21.43
Intangible assets under development	37	4.13	2.95
Intangible assets	10C	2.25	1.32
Other non-financial assets	11	23.78	8.07
Total non-financial assets		147.40	98.40
Total assets		**6,338.11**	**4,873.05**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	-	3.15
Debt securities	13	1,418.13	1,022.34
Borrowings (other than debt securities)	14	3,108.20	2,476.65
Lease liabilities	15	28.41	23.63
Other financial liabilities	16	48.13	55.42
Total financial liabilities		**4,602.87**	**3,581.19**
Non-financial liabilities			
Current tax liabilities (net)	8	4.58	-
Provisions	17	43.33	30.29
Other non-financial liabilities	18	28.98	25.46
Total non-financial liabilities		**76.89**	**55.75**
EQUITY			
Equity share capital	19	37.79	39.93
Other equity	20	1,620.56	1,196.18
Total equity		**1,658.35**	**1,236.11**
Total liabilities and equity		**6,338.11**	**4,873.05**

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

In terms of our report attached

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

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

per Vijay Kumar	**Sanjay Sharma**	**Govinda Rajulu Chintala**	**Krishan Gopal**	**Vipul Sharma**
Partner Membership No: 092671	Managing Director DIN: 03337545	Chairperson and Independent Director DIN: 03622371	Chief Financial Officer	Company Secretary Membership No: A27737
Gurugram May 21, 2025	Gurugram May 21, 2025	Hyderabad May 21, 2025	Gurugram May 21, 2025	Gurugram May 21, 2025

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	21	1,325.96	948.69
Fees and commission income	23	54.42	47.86
Net gain on derecognition of financial instruments under amortised cost category	22	37.59	18.95
Net gain on fair value changes	24	41.76	24.72
Total revenue from operations		**1,459.73**	**1,040.22**
Other income	25	45.26	31.53
Total income		**1,504.99**	**1,071.75**
Expenses			
Finance cost	26	468.00	326.53
Net loss on fair value changes	27	3.62	6.18
Impairment on financial instruments	28	288.83	131.40
Employee benefit expenses	29	379.64	275.21
Depreciation and amortization expense	10	22.16	14.54
Other expenses	30	117.73	90.03
Total expenses		**1,279.98**	**843.89**
Profit before tax		**225.01**	**227.86**
Tax expense:			
Current tax		70.53	81.18
Deferred tax		(16.79)	(14.45)
Income tax expense		**53.74**	**66.73**
Profit for the year (A)		**171.27**	**161.13**
Other comprehensive income / (loss)			
Items that won't be reclassified subsequently to profit or loss			
Re-measurement income / (loss) on defined benefit plans		(0.97)	(0.56)
Income tax effect		0.25	0.15
Other comprehensive loss for the year (B)		**(0.72)**	**(0.41)**
Total comprehensive income for the year (A+B)		**170.55**	**160.72**
Earnings per share (equity share, par value of ₹ 2 each)			
Basic (₹)	32	9.29	9.97
Diluted (₹)	32	9.12	9.86
Nominal value	32	2.00	2.00

Summary of material accounting policies 1 to 2

The accompanying notes are an integral part of the financial statements. 3 to 55

In terms of our report attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration No.: 000756N / N500441

For and on behalf of the Board of Directors of

Aye Finance Limited (Formerly known as Aye Finance Private Limited)

per Vijay Kumar
Partner
Membership No: 092671
Gurugram
May 21, 2025

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 21, 2025

Govinda Rajulu Chintala
Chairperson and Independent Director
DIN: 03622371
Hyderabad
May 21, 2025

Krishan Gopal
Chief Financial Officer
Gurugram
May 21, 2025

Vipul Sharma
Company Secretary
Membership No: A27737
Gurugram
May 21, 2025

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	225.01	227.86
Adjustments for:		
Depreciation and impairment of PPE	10.96	5.09
Depreciation on right of use assets	11.20	9.45
Loss / (Gain) on fair value of cross currency swap	(3.39)	6.22
Profit on sale of mutual fund units	(38.37)	(21.01)
Impairment of financial instruments	82.41	76.80
(Gain) on early termination of lease	(0.50)	(0.26)
Provision on investment	29.05	0.25
Loans and advances written off	216.28	55.31
Loss on settlement	2.93	1.68
(Profit)/Loss on sale of property, plant and equipment (net)	(0.04)	0.05
Expense on employee stock option scheme	9.24	4.70
Unrealised interest income on security deposit	(0.40)	(0.63)
Interest on leases liabilities	4.57	2.21
Interest on income tax refund	(0.85)	-
Operating profit before working capital changes	**548.10**	**367.72**
Movements in working capital:		
Decrease / (Increase) in bank balances not considered as cash and cash equivalents	(3.06)	(82.25)
(Increase) in loan portfolio	(1,248.71)	(1,581.47)
(Increase) in other financial assets	(30.04)	(8.27)
(Increase) in other non financial assets	(15.71)	(2.94)
(Decrease) / Increase in other financial liabilities (excluding lease liabilities)	(6.70)	39.02
(Decrease) / Increase in other non financial liabilities	3.52	13.14
Increase / (Decrease) in provisions	12.07	7.06
Cash used in operations	**(740.53)**	**(1,247.99)**
Income taxes paid	(71.26)	(74.83)
Net cash used in operating activities (A)	**(811.79)**	**(1,322.82)**
Cash flow from investing activities		
Purchase of property, plant and equipment, excluding right of use assets	(16.89)	(11.61)
Sale of property, plant and equipment, excluding right of use assets	0.13	0.04
Purchase of investments	(11,173.95)	(7,188.50)
Sale of investments	11,152.12	7,283.11
Net cash (used in) / generated from investing activities (B)	**(38.59)**	**83.04**
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	242.46	302.09
Amount received from issue of share warrants	-	0.09
Proceeds from issue of debt securities	929.00	678.70
Redemption of debt securities	(533.21)	(556.21)
Proceeds from borrowings (other than debt securities)	2,831.60	2,839.50
Repayment of borrowings (other than debt securities)	(2,200.05)	(1,759.16)
Payment of lease liabilities (including interest)	(14.85)	(11.27)
Net cash generated from financing activities (C)	**1,254.95**	**1,493.74**

STATEMENT OF CASH FLOW (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**404.56**	**253.96**
Cash and cash equivalents at the beginning of the year	526.59	272.63
Cash and cash equivalents at the end of the year (refer note 3)	**931.16**	**526.59**
Components of cash and cash equivalents as at the end of the year		
Cash in hand	11.24	9.20
Balance with banks - on current account	404.88	227.14
Deposits with original maturity of less than or equal to 3 months	515.04	290.25
Total cash and cash equivalents	**931.16**	**526.59**

Note:

The above cash flow statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard (Ind AS) 7 - “Statement of Cash Flows”.

In terms of our report attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration No.: 000756N / N500441

For and on behalf of the Board of Directors of

Aye Finance Limited (Formerly known as Aye Finance Private Limited)

per Vijay Kumar
Partner
Membership No: 092671

Gurugram
May 21, 2025

Sanjay Sharma
Managing Director
DIN: 03337545

Gurugram
May 21, 2025

Govinda Rajulu Chintala
Chairperson and Independent Director
DIN: 03622371

Hyderabad
May 21, 2025

Krishan Gopal
Chief Financial Officer

Gurugram
May 21, 2025

Vipul Sharma
Company Secretary
Membership No: A27737

Gurugram
May 21, 2025

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
Equity shares of ₹ 2 each issued, subscribed and fully paid	**No. of shares**	**mount**	**No. of shares**	**Amount**
Balance at the beginning of the year	4,830,520	4.83	4,830,500	4.83
Effect of Split on the opening number of outstanding shares (Refer note No. 19.1)	19,322,080	-	-	-
Changes in share capital due to prior period errors	-	-	-	-
Amount recoverable from ESOP Trust (28,01,470 shares of ₹ 2 face value (Previous year 5,60,294 shares of ₹ 10 face value each) held by trust	(560,294)	(0.56)	(560,294)	(0.56)
Effect of Split on the number of shares held by trust	(2,241,176)	-	-	-
Restated balance at the beginning of the current/ previous year	21,351,130	4.27	4,270,206	4.27
Changes in share capital during the year	33,517,794	33.52	20.00	0.00
Additional shares pursuant to share split during the year	134,071,176	-	-	-
Balance at the end of the year	**188,940,100**	**37.79**	**4,270,226**	**4.27**

0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2025		As at March 31, 2024	
Preference shares of ₹ 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the year	26,182,448	26.18	26,182,448	26.18
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/ previous year	26,182,448	26.18	26,182,448	26.18
Changes in share capital during the year	(26,182,448)	(26.18)	-	-
Balance at the end of the year	**-**	**-**	**26,182,448**	**26.18**

0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS)

Particulars	As at March 31, 2025		As at March 31, 2024	
Preference shares of ₹ 20 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the year	4,739,244	9.48	-	-
Changes in share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/ previous year	4,739,244	9.48	-	-
Changes in share capital during the year	(4,739,244)	(9.48)	4,739,244	9.48
Balance at the end of the year	**-**	**-**	**4,739,244**	**9.48**

STATEMENT OF CHANGES IN EQUITY (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

B. OTHER EQUITY

Particulars	Reserves and surplus						Total
	Statutory reserve under section 45IC of RBI Act	Securities premium	Share option outstanding account	Retained earnings	Other comprehensive income	Share warrants	
Balance at the end of the year 2023	**26.13**	**659.34**	**17.21**	**31.86**	**3.51**	**-**	**738.05**
Change in accounting policy or prior period errors	-	-	-	-	-		-
Restated balance at the end of the year 2023	**26.13**	**659.34**	**17.21**	**31.86**	**3.51**	**-**	**738.05**
Profit for the year	-	-	-	161.13	-	-	161.13
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	32.23	-	-	(32.23)	-	-	-
Other comprehensive income for the year	-	-	-	-	(0.41)	-	(0.41)
Transfer to / from share option outstanding account	-	-	4.70	-	-	-	4.70
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-
Premium on Issue of share capital	-	292.61	-	-	-	-	292.61
Money received against share warrants	-	-	-	-	-	0.09	0.09
Balance at the end of the year 2024	**58.36**	**951.95**	**21.91**	**160.76**	**3.10**	**0.09**	**1,196.18**
Change in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the end of the year 2024	**58.36**	**951.95**	**21.91**	**160.76**	**3.10**	**0.09**	**1,196.18**
Profit for the year	-	-	-	171.27	-	-	171.27
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	34.25	-	-	(34.25)	-	-	-
Other comprehensive income for the year	-	-	-	-	(0.72)	-	(0.72)
Transfer to / from share option outstanding account	-	-	9.24	-	-	-	9.24
Utilisation / lapses of share option outstanding	-	-	-	-	-	-	-
Premium on Issue of share capital	-	244.69	-	-	-	-	244.69
Conversion of share warrants into equity shares	-	-	-	-	-	(0.09)	(0.09)
Balance at the end of the year 2025	**92.61**	**1,196.64**	**31.15**	**297.78**	**2.38**	**-**	**1,620.56**

In terms of our report attached

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

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

per Vijay Kumar
Partner
Membership No: 092671
Gurugram
May 21, 2025

Sanjay Sharma
Managing Director
DIN: 03337545
Gurugram
May 21, 2025

Govinda Rajulu Chintala
Chairperson and Independent Director
DIN: 03622371
Hyderabad
May 21, 2025

Krishan Gopal
Chief Financial Officer
Gurugram
May 21, 2025

Vipul Sharma
Company Secretary
Membership No: A27737
Gurugram
May 21, 2025

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

1 GENERAL INFORMATION

Aye Finance Limited (Formerly known as Aye Finance Private Limited) ("AFL" 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.

Pursuant to resolutions dated October 16, 2024 and October 17, 2024 passed by our Board and our Shareholders respectively, the name of our Company was changed to 'Aye Finance Limited'. A fresh certificate of incorporation dated December 10, 2024 was issued by the ROC consequent to our Company's conversion into a public limited company.

2 MATERIAL ACCOUNTING POLICIES:

2.1 Statement of compliance:

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

2.2 Basis of preparation:

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

2.3 Presentation of financial statements:

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

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

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

(a) The normal course of business

(b) The event of default

(c) The event of insolvency or bankruptcy of the Group and / or its counterparties

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

2.4 Revenue recognition:

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

(a) Interest income

EIR method

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

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

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

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

(b) Net gain on 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 unrealized gain/loss in the statement of profit and loss and the realized gain on derecognition of financial instrument classified at fair value through profit or loss is recognised as a realized gain/loss in the statement of profit and loss.

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

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

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

(d) Other operational revenue:

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

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

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

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

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

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

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

(e) Insurance claims:

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

2.5 Leases:

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

The Company as a lessee

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

At the date of commencement of the lease, the Company recognises 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 recognised 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 amortised 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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 Employee benefits:

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

(a) Short term employee benefits:

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

(b) Post employment benefits:

(i) Defined contribution plan

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

(ii) Defined benefit plan

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

(c) Long-term employee benefits

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

(d) Termination benefits

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

2.7 Taxation:

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

(a) Current tax

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

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

(b) Deferred tax

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

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

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

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

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

(c) Current tax and deferred tax for the year

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

2.8 Property, plant and equipment:

(a) Property, plant and equipment

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

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

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

(b) Depreciation and amortisation

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

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 unamortised depreciable amount is charged over the revised remaining useful lives of the assets.

(c) Derecognition of property, plant and equipment

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

2.9 Intangible assets:

(a) Recognition and measurement

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

(b) Derecognition of Intangible assets

An intangible asset is derecognised 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 recognised in profit or loss when the asset is derecognised.

(c) Useful lives of intangible assets

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

Computer software: 3 years

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

2.10 Impairment of non financial assets

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

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

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

An assessment is made annually as to see if there are any indications that impairment losses recognised 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 recognised. 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 recognised 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 recognised in the Statement of Profit and Loss.

2.11 Provisions, contingent liabilities and contingent assets:

(a) Provisions

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

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

(b) Contingent liabilities

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

(c) Contingent assets

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

2.12 Share-based payment arrangements:

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

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

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

2.13 Financial instruments:

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

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

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised 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 amortised 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 amortised cost if both of the following conditions are met:

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

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

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

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

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

All financial assets not classified as measured at amortised 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 recognised 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 amortised 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-recognised 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 recognised in the statement of profit and loss.

Offsetting of financial instruments

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

Reclassification of financial assets and liabilities

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

Modification of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

2.14 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).

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

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Definition of Default

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

Significant increase in credit risk

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

(c) Calculation of ECLs

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

Probability of Default (PD)

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

Exposure at Default (EAD)

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

Loss Given Default (LGD)

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

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

Forward looking information

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

The mechanics of the ECL method are summarised below:

Stage 1

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

Stage 2

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

Stage 3 / Regulatory Stage 3

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

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

(i) for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

(ii) for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

(e) Write offs

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

2.15 Derivative financial instruments

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

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.

2.16 Fair value measurement

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

(a) Level 1 financial instruments

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

(b) Level 2 financial instruments

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

(c) Level 3 financial instruments

Include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

2.17 Significant management judgements in applying accounting policies and estimation uncertainty

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

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

Defined benefit obligation

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

Business model assessment

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

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

Effective Interest Rate (EIR) method : The Company recognises 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 recognised 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.

Determination of lease term

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

Discount rate for lease liability

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

Fair value of share-based payments

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Cash on hand	11.24	9.20
Balances with banks:		
On current accounts	404.88	227.14
Deposit with original maturity of less than three months	515.04	290.25
	931.16	**526.59**

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

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

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Fixed deposit with original maturity for more than three months	57.78	46.34
Balances with banks to the extent held as margin money or security against borrowing, guarantees and other commitments		
Balance held as security against borrowings	7.01	6.51
Balance held as security against securitisation	141.94	150.82
	206.73	**203.67**

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

5 LOAN PORTFOLIO

	As at March 31, 2025	As at March 31, 2024
At Amortised cost:		
Term loans	5,157.33	4,129.66
Staff loan	5.56	3.74
Total - Gross	**5,162.89**	**4,133.40**
Less: Impairment loss allowance - Term loans	212.15	130.28
Less: Impairment loss allowance - Staff loans	0.53	-
Total - Net	**4,950.21**	**4,003.12**
(A) Based on security		
(I) Secured	**2,959.99**	**2,474.21**
Secured against mortgage of property	766.02	453.75
Secured against hypothecation of Inventory, Stock etc.	2,193.97	2,020.46
(II) Unsecured	**2,202.90**	**1,659.19**
Total (A) Gross	**5,162.89**	**4,133.40**
Less: Impairment loss allowance	212.68	130.28
Total (A) Net	**4,950.21**	**4,003.12**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(B) Based on region		
(I) Loans in India		
(i) Public sector	-	-
(ii) Others	5,162.89	4,133.40
Total (B) (I) Gross	**5,162.89**	**4,133.40**
Less: Impairment loss allowance	212.68	130.28
Total (B) (I) Net	**4,950.21**	**4,003.12**
(II) Loans outside India	**-**	**-**
Less: Impairment loss allowance	-	-
Total (B) (II) Net	**-**	**-**
Total (B) (I) and (B) (II)	**4,950.21**	**4,003.12**

Note:

For the year ended March 31, 2025, management overlay of ₹ 25.50 Crores is considered in Stage 3 of the Hypothecated Portfolio, as an additional provision, to factor future contingency and change in market conditions basis the risk perceived and as a matter of prudence, taking the overall ECL to ₹ 212.68 Crores as of March 31, 2025.

6 INVESTMENTS

	As at March 31, 2025	As at March 31, 2024
Investments measured at fair value through profit or loss		
Security receipts		
ARCIL - trust	36.97	15.71
Less: Impairment loss / Written off	34.15	5.10
Investments carried at fair value through Profit or loss	**2.82**	**10.61**
Investments carried at amortised Cost		
Pass through certificates	38.94	-
Investments carried at amortised Cost	**38.94**	**-**
Investment in subsidiary at cost (unquoted)		
249,999 equity shares of RS 10 in Foundation for Advancement of Micro Enterprises (FAME)	0.25	0.25
Provision on investments **	0.25	0.25
Investments measured at cost (unquoted)	**-**	**-**
Gross investments	**76.16**	**15.96**
Based on region:		
Investments outside India	-	-
Investments in India	76.16	15.96
	76.16	**15.96**
Less: Allowance for impairment loss	34.40	5.35
	41.76	**10.61**

** During the financial year 2019-20, the Company had subscribed 2,49,999 equity shares of ₹ 10/- each of Foundation for Advancement of Micro Enterprises (FAME) (a Section 8 - Company as per Companies Act 2013). Foundation for Advancement of Micro Enterprises (FAME) became a subsidiary of the Company w.e.f. 04/04/2019 by virtue of holding 2,49,999 equity shares equivalent to 99.99% share capital in Foundation for Advancement of Micro Enterprises (FAME). Foundation for Advancement of Micro Enterprises (FAME) is prohibited to distribute any dividend / economic benefits

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

to its members; hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of Foundation for Advancement of Micro Enterprises (FAME). Accordingly, the above investment does not meet the definition of control under Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements and the aforesaid investment value of ₹ 0.25 Cr had been impaired to the Statement of profit and loss for the year ended March 31, 2024.

7 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	As at March 31, 2025	As at March 31, 2024
Receivable from insurance company	5.56	3.87
Security deposits	3.81	3.06
Other receivables	51.24	23.73
	60.61	**30.66**

8 CURRENT TAX ASSETS / (LIABILITIES)

	As at March 31, 2025	As at March 31, 2024
Current tax asset (Net)	17.89	11.73
	17.89	**11.73**

	As at March 31, 2025	As at March 31, 2024
Current tax liability (Net)	(4.58)	-
	(4.58)	**-**

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (net)	60.98	43.94
	60.98	**43.94**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

10A PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2024	Additions	Disposals	Adjustments	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Disposals	Adjustments	As at March 31, 2025	As at March 31, 2025
Furniture and fixtures	2.47	0.01	0.01	-	2.47	1.97	0.12	0.01	-	2.09	0.38
Office equipments	3.16	0.79	0.11	-	3.84	2.05	0.63	0.11	-	2.57	1.27
Electrical installations and equipments	1.19	0.85	0.00	-	2.04	0.69	0.26	0.00	-	0.95	1.09
Computers	18.15	8.88	1.35	-	25.68	11.39	7.01	1.27	-	17.13	8.55
Leasehold improvements	1.00	1.23	-	-	2.23	0.91	0.51	-	-	1.42	0.81
	25.97	**11.77**	**1.48**	**-**	**36.26**	**17.01**	**8.53**	**1.39**	**-**	**24.15**	**12.10**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

10B RIGHT OF USE ASSETS (ROU)

Carrying value of Right of Use Assets

Particulars	Buildings	Total
Balance at March 31, 2023	**21.15**	**21.15**
Additions	11.20	11.20
Deletions / Adjustments	1.46	1.46
Depreciation charge for the year	9.46	9.46
Balance at March 31, 2024	**21.43**	**21.43**
Additions	19.82	19.82
Deletions / Adjustments	3.78	3.78
Depreciation charge for the year	11.20	11.20
Balance at March 31, 2025	**26.27**	**26.27**

10C INTANGIBLE ASSETS

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount
	As at April 01, 2024	Additions	Disposals	Adjustments	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Disposals	Adjustments	As at March 31, 2025	As at March 31, 2025
Computer software	6.28	3.36	-	-	9.64	4.96	2.43	-	-	7.39	2.25
	6.28	**3.36**	**-**	**-**	**9.64**	**4.96**	**2.43**	**-**	**-**	**7.39**	**2.25**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

11 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2025	As at March 31, 2024
TDS recoverable	-	0.01
Prepaid expenses	15.29	3.31
Employees advances	0.67	0.40
Other non-financial assets	7.82	4.35
	23.78	**8.07**

12 DERIVATIVE FINANCIAL INSTRUMENTS

	As at March 31, 2025	As at March 31, 2024
Carried at fair value (Assets)		
Cross currency swap rate contract not designated in hedge accounting relationship	0.24	-
	0.24	**-**
Carried at fair value (Liability)		
Cross currency swap rate contract not designated in hedge accounting relationship	-	(3.15)
	-	**(3.15)**

13 DEBT SECURITIES (AT AMORTISED COST)

	As at March 31, 2025	As at March 31, 2024
Redeemable non-convertible debentures		
Secured	1,407.75	912.64
Unsecured	10.38	109.70
	1,418.13	**1,022.34**
Based on region:		
Debt securities in India	1,418.13	1,022.34
Debt securities in outside India	-	-
	1,418.13	**1,022.34**

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

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

Particulars				As at March 31, 2025		As at March 31, 2024	
ISIN	Issuance Date	Redemption Date	Interest Rate	Secured	Unsecured	Secured	Unsecured
INE501X07372	24-Jan-23	25-Apr-24	10.50%	-	-	10.00	-
INE501X07232	08-Dec-20	13-May-24	10.70%	-	-	0.01	-
INE501X07414	05-Dec-22	05-Jun-24	10.00%	-	-	100.00	-
INE501X07422	11-Apr-23	25-Jul-24	10.59%	-	-	12.00	-
INE501X07166	08-Nov-19	08-Nov-24	12.50%	-	-	0.01	-
INE501X07463	08-Aug-23	08-Dec-24	10.60%	-	-	22.50	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Particulars				**As at March 31, 2025**		**As at March 31, 2024**	
ISIN	**Issuance Date**	**Redemption Date**	**Interest Rate**	**Secured**	**Unsecured**	**Secured**	**Unsecured**
INE501X08073	13-Dec-22	31-Dec-24	12.70%	-	-	-	11.70
INE501X07448	26-Jul-23	26-Jan-25	10.60%	-	-	16.66	-
INE501X07455	02-Aug-23	02-Feb-25	10.50%	-	-	16.66	-
INE501X07471	25-Aug-23	25-Feb-25	10.50%	-	-	23.33	-
INE501X07489	04-Sep-23	04-Mar-25	8.60%	-	-	40.00	-
INE501X07497	14-Sep-23	14-Mar-25	9.00%	-	-	26.67	-
INE501X08057	28-Feb-22	15-Mar-25	11.35%	-	-	-	37.50
INE501X08057	28-Feb-22	15-Mar-25	11.35%	-	-	-	37.50
INE501X07406	24-Mar-23	31-Mar-25	10.70%	-	-	16.90	-
INE501X07430	18-May-23	30-Apr-25	10.70%	9.30	-	27.90	-
INE501X07380	08-Feb-23	08-May-25	11.25%	1.67	-	8.33	-
INE501X07257	21-Dec-21	13-May-25	10.20%	0.00	-	0.01	-
INE501X07398	15-Feb-23	15-May-25	11.25%	3.00	-	15.00	-
INE501X07125	26-Jun-19	26-Jun-25	13.00%	26.25	-	26.25	-
INE501X07364	06-Dec-22	31-Jul-25	12.55%	10.00	-	10.00	-
INE501X07547	23-Feb-24	23-Aug-25	9.50%	50.00	-	50.00	-
INE501X07505	25-Sep-23	31-Aug-25	10.75%	12.50	-	37.50	-
INE501X07513	27-Sep-23	27-Sep-25	11.00%	6.25	-	18.75	-
INE501X07562	22-Mar-24	07-Oct-25	9.50%	50.00	-	50.00	-
INE501X08081	24-Jan-24	24-Jan-26	11.60%	-	10.42	-	22.92
INE501X07612	25-Jul-24	25-Jan-26	10.60%	50.00	-	-	-
INE501X07554	06-Mar-24	06-Mar-26	10.75%	45.00	-	90.00	-
INE501X07604	20-Jun-24	20-Mar-26	10.25%	125.00	-	-	-
INE501X07620	28-Aug-24	28-Aug-26	10.50%	56.25	-	-	-
INE501X07539	24-Nov-23	15-Sep-26	11.15%	50.00	-	50.00	-
INE501X07588	17-May-24	17-Nov-26	10.50%	25.00	-	-	-
INE501X07653	31-Dec-24	31-Dec-26	9.95%	25.00	-	-	-
INE501X07661	20-Mar-25	20-Mar-27	9.95%	80.00	-	-	-
INE501X07570	30-Apr-24	30-Apr-27	10.50%	51.00	-	-	-
INE501X07570	13-Jun-24	30-Apr-27	10.50%	49.00	-	-	-
INE501X07299	29-Jul-22	28-Jul-27	11.16%	31.00	-	31.00	-
INE501X07315	20-Sep-22	20-Sep-27	11.20%	26.00	-	26.00	-
INE501X07638	09-Oct-24	09-Oct-27	10.50%	75.00	-	-	-
INE501X07349	15-Nov-22	15-Nov-27	11.20%	31.00	-	31.00	-
INE501X07679	20-Mar-25	20-Dec-27	10.35%	40.00	-	-	-
INE501X07646	31-Dec-24	31-Dec-27	10.10%	85.00	-	-	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	32.73	-	32.73	-
INE501X07331	13-Sep-22	08-Mar-28	11.00%	32.73	-	32.73	-
INE501X07596	31-May-24	30-May-29	11.30%	249.00	-	-	-
INE501X07521	29-Sep-23	27-Sep-29	11.60%	76.50	-	76.50	-
				1,404.18	**10.42**	**898.44**	**109.62**
Accrued Interest				19.48	0.02	23.90	0.42
EIR Impact				(15.91)	(0.06)	(9.70)	(0.34)
Total				**1,407.75**	**10.38**	**912.64**	**109.70**

Note: Secured Non-Convertible Debentures of the Company are secured by way of first exclusive charge on hypothecated book debts of the Company up to the extent minimum of 100% of the amount outstanding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

14 BORROWINGS (OTHER THAN DEBT SECURITIES AT AMORTISED COST)

	As at March 31, 2025	As at March 31, 2024
Borrowings measured at amortised cost:		
Secured		
Term loans		
From banks	1,206.52	691.16
From other financial institutions	606.69	574.69
External commercial borrowings	199.73	267.41
Unsecured		
Term loans		
From other financial institutions	39.68	41.21
External commercial borrowings	129.38	96.33
Liabilities in respect of securitised transactions		
From banks	147.91	396.46
From non-banking financial companies	777.22	404.39
Loans repayable on demand*		
From banks	1.07	5.00
	3,108.20	**2,476.65**
Borrowings in India	2,779.09	2,112.91
Borrowings outside India	329.11	363.74
	3,108.20	**2,476.65**

*Secured by hypothecation of specific loan receivables (current and future) / cash and cash equivalents of the Company.

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

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

a) Terms of principal repayment of borrowings (other than debt securities & securitisation) as on March 31, 2025

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Due between 4 to 5 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet											
11.01% to 11.50%	1	1.07						-	-	-	1.07
12.51% to 13.00%	-	-	1	110.79	-	-	-	-	-	-	110.79
13.01% to 13.50%	-	-	1	27.70	1	98.42	-	-	1	29.95	156.07
Monthly											
8.01% to 8.50%	-	-	14	14.58	-	-	-	-	-	-	14.58
9.01% to 9.50%	10	15.63	-	-	-	-	-	-	-	-	15.63
9.51% to 10.00%	31	63.33	16	53.33	-	-	-	-	-	-	116.67
10.01% to 10.50%	29	44.64	133	201.44	113	100.50	36	50.00	-	-	396.58
10.51% to 11.00%	46	62.50	161	229.12	118	99.18	46	143.75	-	-	534.54
11.01% to 11.50%	45	66.74	151	103.29	99	149.03	-	-	-	-	319.05
11.51% to 12.00%	48	93.53	13	22.92	-	-	-	-	-	-	116.45
12.01% to 12.50%	-	-	13	14.44	-	-	-	-	-	-	14.44
Quarterly											
10.01% to 10.50%	-	-	14	52.11	21	40.83	-	-	-	-	92.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Due between 4 to 5 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
10.51% to 11.00%	3	7.50	14	90.00	20	87.49	-	-	-	-	184.99
11.01% to 11.50%	2	5.71	-	-	-	-	-	-	-	-	5.71
11.51% to 12.00%	3	7.50	6	26.25	-	-	-	-	-	-	33.75
12.01% to 12.50%	6	9.38	-	-	-	-	-	-	-	-	9.38
Yearly											
13.01% to 13.50%	-	-	2	57.05	-	-	-	-	-	-	57.05
Accrued Interest											**10.85**
EIR Impact											**(7.47)**
Total	**224**	**377.53**	**539**	**1,003.02**	**372**	**575.45**	**82**	**193.75**	**1**	**29.95**	**2,183.07**

b) Terms of principal repayment of borrowings (securitisation) as on March 31, 2025

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Due between 4 to 5 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Monthly											
9.51% to 10.00%	28	42.44	-	-	-	-	-	-	-	-	42.44
10.01% to 10.50%	60	117.10	89	409.36	13	172.25	-	-	-	-	698.71
10.51% to 11.00%	-	-	-	-	20	183.22	-	-	-	-	183.22
Accrued Interest											**2.99**
EIR Impact											**(2.23)**
Total	**88**	**159.54**	**89**	**409.36**	**33**	**355**	**-**	**-**	**-**	**-**	**925.13**

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

a) Terms of Principal Repayment of Borrowings (other than debt securities & securitisation) as on March 31, 2024

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Due between 4 to 5 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Bullet											
9.51% - 10.00%	1	5.00	-	-	-	-	-	-	-	-	5.00
10.51% - 11.00%	1	41.69	-	-	-	-	-	-	-	-	41.69
12.51% - 13.00%	-	-	1	0.13	1	108.26	-	-	-	-	108.39
13.01% - 13.50%	-	-	-	-	1	27.07	1.00	95.88	-	-	122.95
Monthly											
9.01% - 9.50%	10	4.30	13	8.13	-	-	-	-	-	-	12.43
9.51% - 10.00%	12	14.29	106	197.26	-	-	-	-	-	-	211.55
10.01% - 10.50%	20	41.46	80	141.25	27	27.00	36.00	25.00	-	-	234.71
10.51% - 11.00%	9	6.82	84	159.17	59	62.76	-	-	-	-	228.75
11.01% - 11.50%	40	53.46	180	228.45	36	10.00	-	-	-	-	291.91
11.51% - 12.00%	13	18.15	92	97.18	49	67.78	-	-	-	-	183.11
12.01% - 12.50%	24	25.64	-	-		-	-	-	-	-	25.64
Quarterly											
10.01% - 10.50%	-	-	-	-	12	50.00	-	-	-	-	50.00
10.51% - 11.00%	4	8.33	6	15.00	-	-	-	-	-	-	23.33
11.01% - 11.50%	1	2.08	6	17.14	-	-	-	-	-	-	19.22
12.01% - 12.50%	-	-	18	27.71	-	-	-	-	-	-	27.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Original Maturity of loan and ROI	Due within 1 years		Due between 1 to 2 years		Due between 2 to 3 years		Due between 3 to 4 years		Due between 4 to 5 years		Total Amount
	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	No of Instalments	Amount	
Yearly											
12.51% - 13.00%	-	-	-	-	3	83.37	-	-	-	-	83.37
Accrued Interest											**12.64**
EIR Impact											**(6.59)**
Total	**135**	**221.21**	**586**	**891.42**	**188**	**436.24**	**37**	**120.88**	**-**	**-**	**1,675.80**

b) Terms of Principal Repayment of Borrowings (securitisation) as on March 31, 2024

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

15 LEASE LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Lease liabilities	28.41	23.63
	28.41	**23.63**

16 OTHER FINANCIAL LIABILITIES

	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Employee benefit payable	10.04	5.42
Expenses payable	17.78	19.02
Payables on purchase of property, plant and equipment	0.35	0.94
Other financial liabilities	19.96	30.04
	48.13	**55.42**

17 PROVISIONS

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	13.06	9.25
Provision for compensated absences	5.85	3.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Provision for bonus	24.42	17.04
Other provisions		
Provision for dividend on CCPS	-	0.02
	43.33	**30.29**

18 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	11.80	11.85
EMI and interest received in advance from customers (including Pre EMI)	14.72	10.47
Goods and service tax payable	2.46	2.81
Other non-financial liabilities	-	0.33
	28.98	**25.46**

19 EQUITY SHARE CAPITAL

	As at March 31, 2025	As at March 31, 2024
Authorised		
41,00,00,000 Equity shares of ₹ 2 each with voting rights(March 31, 2024: 67,30,000 Equity shares of ₹ 10 each with voting rights	82.00	6.73
Nil (March 31, 2024: 2,91,00,000) 0.01% Compulsorily Convertible Cumulative Preference shares (CCPS) of ₹ 10 each	-	29.10
Nil (March 31, 2024: 47,40,000) 0.01% Compulsorily Convertible Cumulative Preference shares (CCPS) of ₹ 20 each	-	9.48
	82.00	**45.31**
Issued, subscribed and paid-up		
19,17,41,570 Equity shares of ₹ 2 each with voting rights (March 31, 2024: 48,30,520 Equity shares of ₹ 10 each with voting rights	38.35	4.83
Less: amount recoverable from ESOP Trust (face value of 28,01,470 shares of ₹ 2 each held by trust) (March 31, 2024: 5,60,294 of ₹ 10 each held by trust)	(0.56)	(0.56)
Nil (March 31, 2024: 2,61,82,448) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 10 each	-	26.18
Nil (March 31, 2024: 47,39,244) 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 20 each	-	9.48
	37.79	**39.93**

Details of shares held by promoters **

		March 31, 2025		March 31, 2024	
S. No.	**Promoter name**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**
Nil	Nil	Nil	Nil	Nil	Nil

**Disclosure is given as per annual return filed under section 92 of the Companies Act, 2013 for the year ending March 31, 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

19.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year.

Particulars	Opening balance	Fresh issue	CCPS and Warrant Conversion	Additional shares pursuant to share split during the year*	Closing balance
As at March 31, 2025					
Equity shares of face value ₹ 2 each with voting rights					
No. of shares	4,830,520	2,139,125	31,378,669	153,393,256	191,741,570
Amount	4.83	2.14	31.38	-	38.35
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 10 each					
No. of shares	26,182,448	-	(26,182,448)	-	-
Amount	26.18	-	(26.18)	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 20 each					
No. of shares	4,739,244	-	(4,739,244)	-	-
Amount	9.48	-	(9.48)	-	-
As at March 31, 2024					
Equity shares of face value ₹ 10 each with voting rights					
No. of shares	4,830,500	20	-	-	4,830,520
Amount	4.83	0.00	-	-	4.83
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 10 each					
No. of shares	26,182,448	-	-	-	26,182,448
Amount	26.18	-	-	-	26.18
0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 20 each					
No. of shares	-	4,739,244		-	4,739,244
Amount	-	9.48		-	9.48

*Refer note 32.1

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

The Company has only one class of equity shares having par value of ₹ 2 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

19.3 During the financial year ended March 31, 2025, the Company had allotted 3,04,29,293 equity shares of ₹ 10 each on conversion of 3,09,21,692 0.01% Compulsorily Convertible Preference Shares ('CCPS') on September 23, 2024 as per the agreed terms to CCPS holders as per the below details:

Sr. No.	Series	No. of CCPS	Face Value (in ₹)	No. of Equity Shares on Conversion at a Face Value of ₹ 10 each
1	Series A	2,068,764	10	2,068,764
2	Series A1	2,935,726	10	2,935,726
3	Series B	6,556,360	10	6,556,360
4	Series C	5,736,709	10	5,736,709
5	Series D	5,475,089	10	5,475,089
6	Series E	3,409,800	10	3,409,800
7	Series F	4,739,244	20	4,246,845
Total		**30,921,692**		**30,429,293**

19.4 Mr. Sanjay Sharma had exercised his rights to convert 9,49,376 warrants into equivalent equity shares and paid remaining amount of ₹ 653.11 per warrant. Post that Company allotted him 9,49,376 equity shares of ₹ 10 each on September 24, 2024.

The Company had also allotted 21,39,125 equity shares of the Company of face value of ₹ 10 each at a premium of ₹ 868.63 on September 26, 2024 as per share subscription agreement dated September 18, 2024 entered into by and amongst the Company, IMP2 Assets Pte. Ltd. ("ABC Impact"), British International Investment plc ("BII"), Mr. Sanjay Sharma, Shvet Corporation LLP and Shankh Corporation LLP, and the amended and restated shareholders' agreement dated September 18, 2024 entered by and amongst inter alia the Company, BII and ABC Impact.

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	%	Number of shares held	%
Equity shares of face value ₹ 2 each with voting rights*				
Sanjay Sharma	5,545,630	2.89%	4,898,750	20.28%
Shankh Corporation LLP	4,248,125	2.22%	4,248,125	17.59%
Shvet Corporation LLP	4,248,125	2.22%	4,248,125	17.59%
Vikram Jetley	2,890,000	1.51%	2,890,000	11.97%
Aye Finance Employee Welfare Trust	2,801,470	1.46%	2,801,470	11.60%
Namrata Sharma	1,309,825	0.68%	1,309,825	5.42%
A91 Emerging Fund I LLP	17,715,595	9.24%	325	0.00%
Elevation Capital V Limited	31,067,645	16.20%	268,385	1.11%
LGT Capital Invest Mauritius PCC with Cell E/VP	27,120,090	14.14%	165,465	0.69%
CapitalG LP	19,686,685	10.27%	500	0.00%
Alpha Wave India I LP	21,514,185	11.22%	854,250	3.54%
British International Investment plc	18,262,595	9.52%	50	0.00%
MAJ Invest Financial Inclusion Fund II K/S	11,456,000	5.97%	431,075	1.78%
IMP2 Assets Pte. Ltd.	13,657,490	7.12%	-	0.00%
0.01% Compulsorily Convertible Cumulative Preference shares				
Elevation Capital India V Limited	-	-	6,159,852	19.92%
LGT Capital Invest Mauritius PCC with Cell E/VP	-	-	5,390,925	17.43%
CapitalG LP	-	-	3,937,237	12.73%
MAJ Invest Financial Inclusion Fund II K/S	-	-	2,204,985	7.13%
Alpha Wave India I LP	-	-	4,131,987	13.36%
A91 Emerging Fund I LLP	-	-	3,582,764	11.59%
British International Investment plc	-	-	3,821,977	12.36%

*For Previous year no. of Equity shares Impact of split has been considered Refer Note 32.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

19.6 Number of shares reserved for share options

Particulars	As at March 31, 2025	As at March 31, 2024
Equity shares of ₹ 2 fully paid up		
Number of shares reserved for ESOPs*	**7,454,306**	**6,399,665**

*For Previous year no. Impact of split has been considered Refer Note 32.1

19.7 Number of shares reserved for warrants

Particulars	As at March 31, 2025	As at March 31, 2024
Warrants of ₹ 1 fully paid up		
Number of shares reserved for warrants	**-**	**949,376**

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

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

19.9 Shares bought back

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

20 OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
Securities premium		
Opening balance	951.95	659.34
Add: Premium on shares issued during the year	244.69	292.61
Closing balance	**1,196.64**	**951.95**
Amount received from issue of share warrants	**-**	**0.09**
Share option outstanding account		
Opening balance	21.91	17.21
Add: Deferred stock compensation expense	9.24	4.70
Less: Utilisation of deferred stock compensation expense	-	-
Closing balance	**31.15**	**21.91**
Money received against share warrants		
Statutory reserve		
Opening balance	58.36	26.13
Add: Amount transferred from surplus of profit and loss	34.25	32.23
Closing balance	**92.61**	**58.36**
Retained earnings - other than remeasurement of post employment benefit obligation		
Opening balance	160.76	31.86
Add: Profit for the year	171.27	161.13
Less: Transfer to statutory Reserve	(34.25)	(32.23)
Closing balance	**297.78**	**160.76**
Retained earnings - remeasurement of post employment benefit obligation		
Opening balance	3.10	3.51
Add: Comprehensive income for the year	(0.72)	(0.41)
Closing balance	**2.38**	**3.10**
Total	**1,620.56**	**1,196.18**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Nature and purpose of reserves

Statutory reserves

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

Securities premium reserves

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013, and during the year such expenses amounting to the tune of ₹ 2.25 Crores have been utilised.

Employee stock outstanding account

In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The Company has approved stock option schemes - ESOP Scheme 2016, 2020 and 2024 on August 05, 2016, November 10, 2020 and June 26, 2024 respectively as amended from time to time.

The Administrator (i.e. Nomination and Remuneration Committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP schemes, each option consists of one equity share. Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company and shareholders . Such options are exercisable for a period following vesting at the discretion of the Board of Directors of the Company , subject to the conditions prescribed in the ESOP schemes as amended from time to time.

Retained earnings - other than remeasurement of post employment benefit obligation

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

Retained earnings - remeasurement of post employment benefit obligation

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

21 INTEREST INCOME

	For the year ended March 31, 2025	For the year ended March 31, 2024
On Financial Assets measured at amortised cost		
Interest on loans to customers	1,302.63	932.23
Interest on deposits with banks	23.33	16.46
	1,325.96	**948.69**

22 NET GAIN/(LOSS) ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on derecognition of financial instruments under amortised cost category	37.59	18.95
	37.59	**18.95**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

23 FEES AND COMMISSION INCOME

	For the year ended March 31, 2025	For the year ended March 31, 2024
Servicing fee	2.18	3.59
Application fee	13.40	13.24
Delay payment charges, registration charges, cheque dishonour charges etc.	38.84	31.03
	54.42	**47.86**

24 NET GAIN ON FAIR VALUE CHANGES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Investments		
Gain on sale of mutual funds	38.37	21.01
Gain on currency fluctuation	-	3.71
Gain on fair value of cross currency swap	3.39	-
	41.76	**24.72**
Realised gain	38.37	26.99
Unrealised (loss) / gain	3.39	(2.27)
	41.76	**24.72**

25 OTHER INCOME

	For the year ended March 31, 2025	For the year ended March 31, 2024
Miscellaneous income	44.72	31.26
Profit on early termination of lease	0.50	0.26
Profit on sale of assets	0.04	0.01
	45.26	**31.53**

26 FINANCE COST

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on:		
Debt securities	152.29	113.24
Borrowings (other than debt securities)	286.31	193.24
Lease liabilities	4.57	2.21
Delayed payment of statutory dues	0.49	-
Other finance cost*	24.34	17.84
	468.00	**326.53**

*Other finance cost includes interest expense calculated using the EIR method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

27 NET LOSS ON FAIR VALUE CHANGES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss on fair value of cross currency swap	-	6.18
Loss on currency fluctuation	3.62	-
	3.62	**6.18**

28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended March 31, 2025	For the year ended March 31, 2024
Measured at amortised cost		
Impairment on financial instruments at amortised cost	81.88	76.80
Amounts written off (net of recovery)	203.49	52.92
Loss on settlement	2.93	1.68
Impairment provision on staff loans	0.53	-
	288.83	**131.40**

29 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	314.15	225.20
Contribution to provident and other funds	23.27	17.61
Expense on employee stock option (ESOP) scheme [Refer note 39]	9.24	4.70
Staff welfare expenses	29.23	24.99
Gratuity expenses	3.75	2.71
	379.64	**275.21**

30 OTHER EXPENSES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	-	-
Rates and taxes	4.19	2.56
Communication costs	5.58	6.31
Printing and stationery	2.30	2.39
Legal and Professional charges	22.96	15.39
Directors fees	0.55	0.35
Payment to auditors [Refer Note below]	0.86	1.05
Corporate social responsibility (CSR)	1.75	0.94
Membership and subscription fees	16.72	12.11
Travel and conveyance	33.73	29.38
Tour and travelling	9.48	6.82
Electricity expenses	1.95	1.49

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Office expenses	7.00	6.10
CGTMSE premium charge	0.00	0.07
Bank charges	3.58	2.30
Loss on sale of property, plant and equipment's	-	0.06
Provision on investments	-	0.25
Miscellaneous expenses	7.08	2.46
	117.73	**90.03**
Note : Payment to auditors		
Statutory audit	0.45	0.47
Limited review	0.18	0.30
Tax audit	0.06	0.05
Other certifications	0.11	0.18
Out of pocket expense	0.06	0.05
	0.86	**1.05**

Note:

1. For the year ended March 31, 2025, The above amount includes ₹ 0.06 Crores towards of GST, for which 50% input credit is not available.
2. For the year ended March 31, 2025, the Company has incurred ₹ 0.71 Crores (31 March 2024: Nil) towards service received from the auditors of the Company in relation to the proposed Initial Public Offering (IPO). The amount is inclusive of GST, for which 50% input credit is not available and Out of pocket expense.The same was not charged off to the statement of profit and loss and was disclosed in 'Other Non- financial assets'
3. For the year ended March 31, 2024, amount is inclusive of ₹ 0.46 Crores paid to the erstwhile Statutory Auditors i.e. SR Batliboi & Associates LLP . (It includes Tax Audit Fees, Limited Review Fees, Certifications Fees & Out of Pocket Expenses).

31 DISCLOSURE PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Particulars	As at March 31, 2025	As at March 31, 2024
Amount required to be spent by the Company during the year	1.55	0.18
Amount spent during the year ending on March 31, 2025		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above**	1.75	0.94
(c) Shortfall/(excess) at the end of the year	Nil	Nil
(d) Total of previous year shortfall	Nil	Nil
(e) Reason for shortfall	NA	NA
(f) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision.	NA	NA

**For the purpose of Dairy program, Footwear Program, Sports Program, Kirana program, Women Empowerment etc.

Note: 1 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (refer note no 36).

Note: 2 The Company has undertaken CSR Activities as per schedule VII of the Companies Act, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

32 EARNINGS PER SHARE

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to equity holders	171.27	161.13
Less: Preference dividend	-	-
Net Profit attributable to equity holders	171.27	161.13
Weighted average number of equity shares outstanding during the year - for Basic EPS original	36,863,054	32,327,266
Impact of share split effected during the year (each share of face value ₹ 10 split into five shares of face value of ₹ 2 each)	147,452,216	129,309,066
Weighted Average number of Equity Shares post split used as denominator in calculating Basic Earnings Per Share	184,315,270	161,636,332
Effect of dilutive potential equity share equivalent	676,432	362,599
Impact of share split effected year the year (each share of face value ₹ 10 split into five shares of face value of ₹ 2 each)	2,705,728	1,450,395
Weighted average number of equity shares outstanding during the year - for Dilutive EPS post split	187,697,430	163,449,326
Basic earnings per share (₹)	9.29	9.97
Diluted earnings per share (₹)	9.12	9.86
Nominal value per share (₹)	2.00	2.00

Earning per share both (basic & diluted) has been restated for Previous year March 31,2024 on account of split issue.

32.1 The Board of Directors of the Company in the Board meeting dated October 16, 2024 and Shareholders of the Company in the Extra Ordinary General Meeting dated October 17, 2024 have approved the re-classification and sub-division of each of the Equity Share of the Company having a face value of ₹ 10/- each in the Equity Share Capital of the Company, into 5 Equity Shares having a face value of ₹ 2/- each.

33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Commitments related to loans sanctioned but not disbursed	41.13	38.20

(b) Contingent liabilty

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

2. In the current financial year, the Company received an income tax demand of ₹ 7.60 Crores for AY 2023-24. The Company has disputed the order and filed a rectification request under Section 154 for deletion of the demand.

3. In the current financial year, the Company has received a demand order under Section 73 of the CGST Act for FY 2020-21 amounting to ₹ 0.09 Crores related to its operations in Karnataka. The Company has filed an appeal before the GST officer and has deposited ₹ 0.01 Crores for rectification of the demand. Based on the management's opinion, the liability may potentially arise.

4. In the current financial year, the company has received a demand notice of ₹ 0.54 Crores for AY 2018-19 and ₹ 2.31 Crores for AY 2019-20 under Section 156 due to an alleged short deduction of TDS. The Company had issued Rupee Denominated Bonds (RDB) to an investor and deducted TDS at 5% under Section 194LD. However, the tax department contested that the underlying securities did not meet the conditions required to be classified as RDB, resulting in a claim of short deduction of TDS. In response, the Company has filed an appeal against the demand order. Based on the management's opinion, the liability may potentially arise.

34 SEGMENT INFORMATION

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

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

35 EMPLOYEE BENEFITS

35.1 Defined contribution plans

The Company has Defined Contribution Plans for post-employment benefits namely Provident Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the Company contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

The Company contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

The Company has recognised an expense of ₹ 23.27 Crores (Previous year ₹ 17.61 Crores) towards the defined contribution plans.

35.2 Other long-term benefits

The Company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation. The Company recognised rupees 7.14 Crores (March 31, 2024: rupees 4.68 Crores) for compensated absences in the statement of profit and loss.

35.3 Defined benefit plans

The Company's gratuity scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary for each completed

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

year of service or part thereof in excess of six months in terms of provisions of Gratuity Act, 1972. Vesting occurs upon completion of five years of service.

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

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet:

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	3.08	2.21
Interest expense	0.67	0.50
Amount recognised in the statement of profit and loss	3.75	2.71
Remeasurement of defined benefit liability:		
Actuarial (gain) / loss from changes in demographic assumptions	-	-
Actuarial (gain) / loss from changes in financial assumptions	0.13	0.06
Actuarial (gain) / loss from experience adjustments	0.84	0.50
Amount recognised in other comprehensive income	0.97	0.56
	4.72	**3.27**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	13.06	9.25
Net defined (asset) / liability recognised in the balance sheet	13.06	9.25

(c) Actual contributions and benefit payments during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Actual benefit payments	(0.91)	(0.80)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation at beginning of the year	9.25	6.78
Current service cost	3.08	2.21
Interest expense	0.67	0.50
Remeasurement (gains) / losses		
Actuarial (gain) / loss from changes in financial assumptions	0.13	0.06
Actuarial (gain) / loss from experience adjustments	0.84	0.50
Actuarial (gain) / loss from changes in demographic assumptions	-	-
Benefits paid	(0.91)	(0.80)
Defined benefit obligation at end of the year	13.06	9.25

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

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at beginning of the year	-	-
Fair value of plan assets at end of the year	-	-

(All amounts are in ₹ Crores unless otherwise stated)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (in %)	7.04%	7.25%
Future salary increase (in %)	10.00%	10.00%
Retirement age	58.00	58.00
Demographic assumptions		
Attrition		
Upton 30 years	33.10%	33.10%
31-44 years	28.40%	28.40%
Above 44 years	6.20%	6.20%
Mortality	**IALM (2012-14)**	**IALM (2012-14)**

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

35.5 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, 2025	As at March 31, 2024
Present value of obligation at the end of the period	13.06	9.25
Effect of +50 basis points in rate of discounting	(0.32)	(0.22)
Effect of -50 basis points in rate of discounting	0.34	0.23
Present value of obligation at the end of the period	13.06	9.25
Effect of +50 basis points in rate of salary increase	0.29	0.20
Effect of -50 basis points in rate of salary increase	(0.28)	(0.20)

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

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

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

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/ (loss) adjustments on plan liabilities	Estimated gain/ (loss) adjustments on plan assets
2024-25	13.06	-	0.84	-
2023-24	9.25	-	0.50	-
2022-23	6.78	-	(0.46)	-
2021-22	9.24	-	(1.15)	-
2020-21	7.45	-	0.34	-
2019-20	4.49	-	(0.11)	-
2018-19	1.99	-	0.00	-
2017-18	0.80	-	(0.00)	-
2016-17	0.37	-	0.02	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

35.6 Risk exposure:

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

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

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

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

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

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

36 RELATED PARTY DISCLOSURES

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

36.1 Details of related parties:

Description of relationship	Names of related parties
Key Managerial Personnel (KMP)	Mr. Sanjay Sharma - Managing Director
	Mr. Mayank Shyam Thatte - Chief Financial Officer (up to May 24, 2023)
	Mr. Krishan Gopal - Chief Financial Officer (w.e.f. July 07, 2023)
	Ms. Tripti Pandey - Company Secretary, Compliance Officer & CCO (up to May 24, 2024)
	Mr. Vipul Sharma- Company Secretary , Compliance Officer & CCO (w.e.f. May 25,2024)
Independent directors	Mr. Navin Kumar Maini (up to September 02, 2023)
	Mr. Vinay Baijal (w.e.f. August 16, 2024)
	Ms. Arpita Pal Agrawal (up to September 02, 2023)
	Mr. Govinda Rajulu Chintala (w.e.f. September 01, 2023) (Appointed as Chairperson of Board w.e.f. January 5, 2024)
	Mr. Sanjaya Gupta (w.e.f. September 01, 2023)
	Ms. Kanika Tandon Bhal (w.e.f. September 01, 2023)
	Ms. Padmaja Nair (w.e.f. October 17, 2024)
Non-Executive, Non-Independent Directors	Mr. Vivek Kumar Mathur (up to December 11, 2024)
	Mr. Navroz Darius Udwadia (up to December 11, 2024)
	Mr. Kartik Srivatsa (up to December 11, 2024)
	Mr. Kaushik Anand Kalyana Krishnan (up to December 11, 2024)
	Mr. Aditya Misra (w.e.f. September 28, 2024)
	Mr. Gaurav Malhotra (w.e.f. June 26,2024 to up to December 11, 2024)
Entities over which KMP's have significant influence	Aye Finance Employee Welfare Trust

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Description of relationship	Names of related parties
Entities exercising significant influence over the Company	Elevation Capital V Limited
	Alpha Wave India I LP
	A91 Emerging Fund I LLP
	LGT Capital Invest Mauritius PCC with Cell E/VP
	CapitalG LP
	CapitalG International LLC
	British International Investment PLC w.e.f. January 05, 2024
Wholly - owned subsidiary company	Foundation for Advancement of Micro Enterprises (Section 8 Company)
Relatives of KMP	Mr. Shashwat Sharma

36.2 Details of related party transactions during the year ended March 31, 2025 and outstanding balance as at March 31, 2025:

(i) Transactions with related parties:

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Managerial remuneration**		
	Short term employee benefits (Director)	**4.21**	**3.69**
	Mr. Sanjay Sharma	4.21	3.69
	Short term employee benefits (Relative of Director)	**0.15**	**0.12**
	Mr. Shashwat Sharma	0.15	0.12
	Short term employee benefits (KMP other than directors)	**1.92**	**1.52**
	Mr. Mayank Shyam Thatte	-	0.14
	Mr. Krishan Gopal	1.62	1.08
	Ms. Tripti Pandey	0.03	0.31
	Mr. Vipul Sharma	0.27	-
	Post employment benefits	-	-
	Other long-term benefits	-	-
	Termination benefits	-	-
	Share based payments	**1.07**	**0.35**
	Mr. Krishan Gopal	1.05	0.33
	Ms. Tripti Pandey	0.00	0.02
	Mr. Vipul Sharma	0.02	-
	(i) Excluding provision for gratuity and compensated absences as the same are actuarially determined for the Company as a whole and thus not separately ascertainable for the Director		
(b)	**Director's sitting fee**	**0.55**	**0.35**
(c)	**Grant of ESOPs (KMP)**	**0.39**	**0.34**
(d)	**Corporate social responsibility**		
	Foundation for Advancement of Micro Enterprises (FAME)	1.75	0.94
(e)	**Rent received**		
	Foundation for Advancement of Micro Enterprises (FAME)	0.04	-
(f)	**Advances Given during the year**		
	Advance for CSR to FAME	2.00	1.00
	Foundation for Advancement of Micro Enterprises (FAME)	0.03	0.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(g) Reimbursement received		
Balance against advance received back	-	0.06
Foundation for Advancement of Micro Enterprises (FAME)	0.03	0.02
(h) Loan given to KMP		
Mr. Krishan Gopal	0.36	-

(ii) Balance outstanding at the end of the year

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Long term loans and advances		
Aye Finance Employee Welfare Trust	-	0.13
Foundation for Advancement of Micro Enterprises (FAME)	0.26	-
Loan given to KMP (Mr. Krishan Gopal)	0.33	-
(b) Investment in subsidiary company		
Foundation for Advancement of Micro Enterprises (FAME)	-	-
(c) Dues to Directors		
Mr. Govinda Rajulu Chintala	-	0.01
Mr. Sanjaya Gupta	-	0.01
Ms. Kanika Tandon Bhal	-	0.01

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

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

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

37 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible asset under development	4.13	2.95
	4.13	**2.95**

37.1 (a) Intangible asset under development ageing schedule

As at March 31, 2025

Intangible asset under development	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Projects in progress					
Mobile App***	0.36	-	-	-	0.36
Product Development App**	0.54	0.25	-	-	0.79
ML App *	2.98	-	-	-	2.98
	3.88	**0.25**	**-**	**-**	**4.13**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

As at March 31, 2024

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

*Project in progress is related with implementation of new workflow related to Mortgage loan and its expected completion date is August, 2025.

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

***Project in progress is related with implementation of new workflow related to Mobile App (Switchpe II Phase) and its expected completion date is April, 2025.

37.1 (b) Movement of Intangible asset under development

Particulars	Mobile App	Product Development App	ML APP	Adrenalin	Total
Amount as at April 01, 2023	**0.47**	**-**	**-**	**-**	**0.47**
Additions During the year	0.23	0.25	2.70	-	3.18
Less: Amount capitalised in Intangible assets	0.70	-	-	-	0.70
Balance as at March 31, 2024	**-**	**0.25**	**2.70**	**-**	**2.95**
Additions During the year	0.36	0.54	3.02	0.14	4.06
Less: Amount capitalised in Intangible assets	-	-	2.74	0.14	2.88
Balance as at March 31, 2025	**0.36**	**0.79**	**2.98**	**-**	**4.13**

37.2 Intangible asset under development Completion schedule

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

38 RATIO ANALYSIS AND IT'S ELEMENTS**

Ratio	As at March 31, 2025	As at March 31, 2024	% Variance	Reason for Variance (if above 25%)
(a) Capital to risk -weighted assets ratio (CRAR)	34.92%	32.79%	6.49%	Not applicable
(b) Tier I CRAR	34.92%	32.79%	6.49%	Not applicable
(c) Tier II CRAR	0.00%	0.00%	0.00%	Not applicable
(d) Liquidity coverage ratio	358.39%	Not applicable	Not applicable	Not applicable

**Based on the requirement of the Schedule III

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

39 EMPLOYEE SHARE BASED PAYMENTS*

The Company at its Annual General Meeting (AGM) held on August 05, 2016 had approved an Employee Stock Option Plan 2016 ('the Plan') with initial pool of 19,32,080 options and had authorised the Company to issue stock options under the above plan. At the AGM held on September 30, 2019, additional 8,69,390 shares were added to this plan. The Company has provided loan to Aye Finance Employee Welfare Trust for purchase of total 28,01,470 Equity shares (ESOP Shares) from the existing shareholders.

In Extraordinary General Meeting (EGM) held on November 10, 2020, the ESOP Plan 2016 was discontinued and balance 5,78,755 shares of ESOP pool were transferred to a new Employee Stock Option Plan (ESOP 2020 Plan). In the same EGM, resolution was passed for approval of a new Employee Stock Option Plan 2020 ('the ESOP 2020 Plan') with initial pool sise of 31,64,590 options which has been increased to 44,08,640 options from time to time and authorised the Company to issue stock options under the above plan.

In financial year 2024, to further enhance employee engagement and retention, the Company introduced a new Employee Stock Option Plan in 2024 ('the ESOP 2024 Plan'). At the Extraordinary General Meeting held on June 26, 2024, a total of 15,82,295 options were approved for the 2024 scheme. At the EGM held on August 16, 2024, additional 20,00,000 options were added to this plan and at the EGM held on September 28, 2024, another 20,00,000 options were added to this plan.

The vesting period for the options in ESOP 2016 Plan, ESOP 2020 Plan and ESOP 2024 Plan is 4 years (with 10%, 20%, 30% and 40% annual vesting under the ESOP 2016 Plan and 25% annual vesting under the ESOP 2020 Plan and ESOP 2024 Plan) commencing from the date of grant of options. It is the intention of the Company that the options would be exercised at the time of the listing of the shares pursuant to the liquidity event as defined in the ESOP scheme. During the year, the Company had granted 15,07,460 options on July 02, 2024. 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.

*Impact of split has been considered Refer Note 32.1

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

ESOP Plan 2016*

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding at the beginning of the year	1,583,870	1,820,555
Options granted / Adjustments	-	-
Options lapsed	26,445	236,685
Outstanding at the end of the year	1,557,425	1,583,870
Vested options outstanding at the end of the year (Exercisable)	1,524,145	1,512,010

ESOP Plan 2020*

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding at the beginning of the year	4,815,795	2,434,285
Options granted / Adjustments	-	2,573,815
Options lapsed	411,374	192,305
Outstanding at the end of the year	4,404,421	4,815,795
Vested options outstanding at the end of the year (Exercisable)	2,038,334	1,208,755

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

ESOP Plan 2024*

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding at the beginning of the year	-	-
Options granted / Adjustments	1,507,460	-
Options lapsed	15,000	-
Outstanding at the end of the year	1,492,460	-
Vested options outstanding at the end of the year (Exercisable)	-	-

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

Particulars	As at March 31, 2025	As at March 31, 2024	
Grant date	July 02, 2024	July 02, 2023	January 02, 2024
Weighted average fair value (₹)	74.38	49.45	47.96

*Impact of split has been considered Refer Note 32.1

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	ESOP Plan	Exercise Price*	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 (₹)# and *	Conversion Ratio
January 02, 2017	Scheme 2016 Plan	5.80	6.57%	4.25 Years	0.00%	0.00%	14.40	1:1
June 02, 2017	Scheme 2016 Plan	5.80	7%-7.21%	3.97 Years	0.01%	0.00%	14.40	1:1
January 02, 2018	Scheme 2016 Plan	5.80	7%-7.21%	3.85 Years	0.01%	0.00%	22.29	1:1
July 02, 2018	Scheme 2016 Plan	5.80	7.74%-7.96%	3.33 Years	0.01%	0.00%	51.25	1:1
July 02, 2019	Scheme 2016 Plan	5.80	6.26%-6.63%	3.25 Years	0.01%	0.00%	89.47	1:1
July 02, 2020	Scheme 2016 Plan	5.80	4.89%	4.5 Years	41.97%	0.00%	123.17	1:1
January 02, 2021	Scheme 2020 Plan	123.17	5.04%	4 Years	42.44%	0.00%	123.17	1:1
July 02, 2021	Scheme 2016 Plan	5.80	5.66%	4.17 Years	50.06%	0.00%	123.17	1:1
January 02, 2022	Scheme 2020 Plan	123.17	6.09%	3.25 Years	48.96%	0.00%	123.17	1:1
July 02, 2022	Scheme 2020 Plan	123.17	7.41%	3.44 Years	48.39%	0.00%	138.60	1:1
January 02, 2023	Scheme 2020 Plan	123.17	7.15%	3.12 Years	46.71%	0.00%	138.60	1:1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Grant date	ESOP Plan	Exercise Price*	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 (₹)# and *	Conversion Ratio
July 02, 2023	Scheme 2020 Plan	123.17	6.99%	2.87 Years	43.22%	0.00%	130.00	1:1
January 02, 2024	Scheme 2020 Plan	123.17	7.21%	2.75 Years	41.15%	0.00%	130.82	1:1
July 02, 2024	Scheme 2024 Plan	140.00	7.07%	2.64 years	41.27%	0.00%	175.21	1:1

*Impact of split has been considered Refer Note 32.1

**The share of the Company are not listed on any stock exchange accordingly, the expected median volatility for listed peer group has been considered.

#FV of shares of the Company is the Fair Value of the shares of the Company as on the grant date.

Shares are exercisable on the occurrence of a Liquidity Event which primarily is the listing of the shares of the Company on a Stock Exchange via an Initial Public Offering.

40 INCOME TAX

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, 2025	As at March 31, 2024
	Accounting profit before tax	225.01	227.86
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	66.55	70.63
	Tax for earlier years	3.98	10.55
	Total current tax (benefit) / expense	**70.53**	**81.18**
	Deferred tax		
	Credit recognised in statement of profit and loss	**(16.79)**	**(14.45)**
	Total deferred tax expense / (benefit)	(16.79)	(14.45)
	Income tax expense recognised in the statement of profit and loss	**53.74**	**66.73**
	Deferred tax relating to other comprehensive income	**0.25**	**0.15**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

(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, 2025 and March 31, 2024 is, as follows:-

Particulars	As at March 31, 2025	As at March 31, 2024
Profit from continuing operations before income tax expense	225.01	227.86
Applicable tax rate	25.17%	25.17%
Computed tax (gain) / expense	56.63	57.35
Tax effect of :		
Effect of expenses that are non-deductible in determining taxable profit	0.58	0.30
Effect of tax incentives and concessions	(6.24)	(5.01)
Others	(1.21)	3.54
Tax for earlier years	3.98	10.55
Income tax expense recognised in the statement of profit and loss	53.74	66.73

(c) Deferred tax assets / liabilities

Components of deferred tax assets / (liabilities)	As at March 31, 2024	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2025
Measurement of financial assets at amortised cost	43.51	15.34	-	-	58.85
Measurement of financial liabilities at amortised cost	(4.62)	(1.84)	-	-	(6.46)
Difference in book balance of property, plant and equipment as per the Companies Act and the Income Tax Act	0.91	0.65	-	-	1.56
Provision for gratuity and compensated absences	3.33	1.20	0.25	-	4.78
Others	0.81	1.44		-	2.25
	43.94	**16.79**	**0.25**	**-**	**60.98**

Components of deferred tax assets / (liabilities)	As at March 31, 2023	Statement of profit and loss	Other comprehensive income	Others	As at March 31, 2024
Measurement of financial assets at amortised cost	21.08	22.43	-	-	43.51
Measurement of financial liabilities at amortised cost	(3.53)	(1.09)	-	-	(4.62)
Difference in book balance of property, plant and equipment as per companies act and Income tax act	1.01	(0.10)	-	-	0.91
Provision for gratuity and compensated absences	2.57	0.61	0.15	-	3.33
Income tax losses	7.29	(7.29)	-	-	-
Others	0.92	(0.11)	-	-	0.81
	29.34	**14.45**	**0.15**	**-**	**43.94**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

41 The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at March 31, 2025 and as at March 31, 2024.

42 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company as at March 31, 2025 and March 31, 2024.

43 The Company does not have any year end unhedged foreign currency exposures as at March 31, 2025 and March 31, 2024.

44 STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no standards that have been issued by Ministry of Corporate Affairs that are not yet effective as at March 31, 2025.

45 DISCLOSURES RELATING TO SECURITISATION

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

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	Total number of transactions entered during the year	12	21
(b)	Total number of loan assets	115,168	127,296
(c)	Total book value of loan assets	1,322.89	1,336.30
(d)	Sale consideration received	1,221.26	1,215.97

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

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	No. of SPV's sponsored by NBFC for securitisation transactions	12	21
(b)	Total amount of securitised assets as per books of SPVs sponsored by the NBFC	1,322.89	1,336.30
(c)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet Off-balance sheet exposures		
	(i) First loss	-	-
	(ii) Others	-	-
	On-balance sheet exposures		
	(i) First loss	141.18	147.45
	(ii) Others (MRR including securitisation investments)	115.98	78.57
(d)	Amount of exposures to securitization transactions other than MRR		
	Off-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitization		
	(i) First loss	-	-
	(ii) Loss	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
	On-balance sheet exposures		
	Exposure to own securitization		
	(i) First loss	-	-
	(ii) Loss	-	-
	Exposure to third party securitisation		
	(i) First loss	-	-
	(ii) Loss	-	-
(e)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	1,221.26	1215.97
(f)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
(g)	Performance of facility provided:		
	Credit enhancement facility		
	Fixed deposit		
	(i) Amount paid	141.18	147.45
	(ii) Repayment received	-	-
	(iii) Outstanding amount	141.18	147.45
	Corporate guarantee		
	(i) Amount paid	-	-
	(ii) Repayment received	-	-
	(iii) Outstanding amount	-	-
(h)	Average default rate of portfolios observed in the past	2.45%	1.03%
	(i) Amount and number of additional/top up loan given on same underlying asset	-	-
(j)	Investor complaints		
	Directly / Indirectly received and;	Nil	Nil
	Complaints outstanding	Nil	Nil

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

46 DISCLOSURE ON RESTRUCTURING PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.CO.PD. NO. 367/03.10.01/2013-14 DATED JANUARY 23, 2014

46.1 For the year March 31, 2025

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
a	Restructured accounts as on April 1 of the FY (opening figures)*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	262.00	-	-	262.00	-	262.00	-	-	262.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.43	-	-	2.43	-	2.43	-	-	2.43
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.69	-	-	1.69	-	1.69	-	-	1.69
b	Fresh restructuring during the year	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	248.00	-	-	248.00	-	248.00	-	-	248.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.92	-	-	2.92	-	2.92	-	-	2.92
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	2.06	-	-	2.06	-	2.06	-	-	2.06
c	Upgradations to restructured standard category during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	(22.00)	-	-	(22.00)	-	(22.00)	-	-	(22.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.39)	-	-	(0.39)	-	(0.39)	-	-	(0.39)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.31)	-	-	(0.31)	-	(0.31)	-	-	(0.31)
e	Down gradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	(87.00)	-	-	(87.00)	-	(87.00)	-	-	(87.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.87)	-	-	(0.87)	-	(0.87)	-	-	(0.87)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.56)	-	-	(0.56)	-	(0.56)	-	-	(0.56)
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	401.00	-	-	401.00	-	401.00	-	-	401.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	4.09	-	-	4.09	-	4.09	-	-	4.09
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	2.88	-	-	2.88	-	2.88	-	-	2.88

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

46.2 For the year March 31, 2024

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
e	Down gradations of restructured accounts during the FY	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Write-offs of restructured accounts during the FY*	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	(73.00)	-	-	(73.00)	-	(73.00)	-	-	(73.00)
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.86)	-	-	(0.86)	-	(0.86)	-	-	(0.86)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.62)	-	-	(0.62)	-	(0.62)	-	-	(0.62)
g	Restructured accounts as on March 31 of the FY (closing figures*)	No of borrowers	-	-	-	-	-	-	-	-	-	-	-	262.00	-	-	262.00	-	262.00	-	-	262.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	2.43	-	-	2.43	-	2.43	-	-	2.43
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.69	-	-	1.69	-	1.69	-	-	1.69

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	931.16	-	931.16	526.59	-	526.59
Bank balance other than cash and cash equivalents	176.90	29.83	206.73	160.75	42.92	203.67
Derivative financial instruments	0.24	-	0.24	-	-	-
Loans	2,431.36	2,518.85	4,950.21	1,976.45	2,026.67	4,003.12
Investments	2.82	38.94	41.76	10.61	-	10.61
Other financial assets	37.75	22.87	60.61	27.21	3.45	30.66
Non-financial assets						
Current tax assets (Net)	17.89	-	17.89	11.73	-	11.73
Deferred tax assets (Net)	-	60.98	60.98	-	43.94	43.94
Property, plant and equipment	-	12.10	12.10	-	8.96	8.96
Right of use assets	-	26.27	26.27	-	21.43	21.43
Intangible assets under development	-	4.13	4.13	-	2.95	2.95
Other intangible assets	-	2.25	2.25	-	1.32	1.32
Other non-financial assets	23.71	0.07	23.78	7.94	0.13	8.07
Total assets	**3,621.83**	**2,716.29**	**6,338.11**	**2,721.28**	**2,151.77**	**4,873.05**
Financial liabilities						
Derivative financial instruments	-	-	-	3.15	-	3.15
Debt securities	634.93	783.20	1,418.13	503.71	518.63	1,022.34
Borrowings (other than debt securities)	1,574.34	1,533.86	3,108.20	1,567.89	908.76	2,476.65
Lease liability	9.52	18.89	28.41	6.97	16.66	23.63
Other financial liabilities	48.13	-	48.13	55.42	-	55.42
Non-Financial Liabilities						
Current tax liabilities (Net)	4.58	-	4.58	-	-	-
Provisions	28.14	15.19	43.33	15.26	15.03	30.29
Other non-financial liabilities	28.98	-	28.98	25.46	-	25.46
Total liabilities	**2,328.62**	**2,351.14**	**4,679.76**	**2,177.86**	**1,459.08**	**3,636.94**
Net Amount			**1,658.35**			**1,236.11**

48 CAPITAL

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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, 2025	As at March 31, 2024
Tier I capital	1,429.52	1,058.77
Tier II capital	-	-
Total capital	1,429.52	1,058.77
Risk weighted assets	4,094.08	3,229.29
CRAR (%) *	**34.92%**	**32.79%**
Tier I capital (%)	**34.92%**	**32.79%**
Tier II capital (%)	**-**	**-**

*The above ratio has been computed in accordance with the relevant guidelines issued by the RBI.

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

49 FINANCIAL RISK MANAGEMENT FRAMEWORK

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

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

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

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

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

(All amounts are in ₹ Crores unless otherwise stated)

49.1 Credit risk management framework

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans and advances primarily based on days past due monitoring at year end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

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

49.1.1 Credit quality of financial loan

Particulars	Mortgage loans		Saral property loans		Hypothecated and Switch pe loans	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Gross carrying value of loans						
Stage 1	636.97	332.31	96.25	110.41	4,113.40	3,512.30
Stage 2	4.69	0.48	2.69	1.78	86.29	40.75
Stage 3	13.82	1.70	11.59	7.07	191.63	122.86
Gross carrying value as at reporting date	655.48	334.49	110.53	119.26	4,391.32	3,675.91

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

49.1.2 Inputs considered in calculation of ECL

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

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0 to 30 days past due

Stage 2 : 31 to 90 days past due

Stage 3 : More than 90 days past due

49.1.3 Definition of default

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

49.1.4 Exposure at default

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

49.1.5 Estimations and assumptions used in the ECL model

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

49.1.6 Measurement of ECL

ECL is measured as follows:

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

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

49.1.7 Significant increase in credit risk

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

49.1.8 Impairment loss

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

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per - forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2025	**636.97**	**4.69**	**13.82**	**655.48**
ECL rate	0.24%	29.21%	43.85%	
ECL amount	1.52	1.37	6.06	8.95
Carrying amount (net of provision)	**635.45**	**3.32**	**7.76**	**646.53**
Gross carrying value as at March 31, 2024	**332.31**	**0.48**	**1.70**	**334.49**
ECL rate	0.38%	33.33%	53.53%	
ECL amount	1.27	0.16	0.91	2.34
Carrying amount (net of provision)	**331.04**	**0.32**	**0.80**	**332.16**

(b) The expected credit loss allowance for Saral property loan is determined as follows:

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per - forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2025	**96.25**	**2.69**	**11.59**	**110.53**
ECL rate	0.55%	26.39%	32.79%	
ECL amount	0.53	0.71	3.80	5.04
Carrying amount (net of provision)	**95.72**	**1.98**	**7.79**	**105.49**
Gross carrying value as at March 31, 2024	**110.41**	**1.78**	**7.07**	**119.26**
ECL rate	0.62%	23.60%	32.96%	
ECL amount	0.69	0.42	2.33	3.44
Carrying amount (net of provision)	109.72	1.36	4.74	115.82

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

Particulars	Stage 1 Performing-loans 12 month ECL	Stage 2 Under per - forming loans Lifetime ECL not credit impaired	Stage 3 Impaired loans - lifetime ECL credit impaired	Total
Gross carrying value as at March 31, 2025	**4,113.40**	**86.29**	**191.63**	**4,391.32**
ECL rate	0.58%	43.31%	71.38%	
ECL amount	24.01	37.37	136.78	198.16
Carrying amount (net of provision)	**4,089.39**	**48.92**	**54.85**	**4,193.16**
Gross carrying value as at March 31, 2024	**3,512.30**	**40.75**	**122.86**	**3,675.91**
ECL rate	0.46%	40.74%	74.65%	
ECL amount	16.18	16.60	91.72	124.50
Carrying amount (net of provision)	3,496.12	24.15	31.14	3,551.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

49.1.9 Level of assessment - aggregation criteria

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

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

(a) Closing balance

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2023	**49.85**	**0.26**	**0.53**	**50.64**
Transfer to stage 1	0.26	(0.06)	(0.20)	-
Transfer to stage 2	(0.18)	0.18	-	-
Transfer to stage 3	(1.29)	(0.20)	1.49	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	283.75	0.32	(0.08)	283.99
Write offs during the year	(0.08)	(0.02)	(0.04)	(0.14)
Gross carrying value as at March 31, 2024	**332.31**	**0.48**	**1.70**	**334.49**
Changes due to loans recognised in the opening balances that have :				
Transfer to stage 1	0.04	-	(0.04)	-
Transfer to stage 2	(4.26)	4.26	-	-
Transfer to stage 3	(12.14)	(0.45)	12.59	-
Loans derecognised during the year				
Loans originated / derecognised during the year	321.17	0.40	(0.31)	321.26
Write offs during the year	(0.15)	-	(0.12)	(0.27)
Gross carrying value as at March 31, 2025	**636.97**	**4.69**	**13.82**	**655.48**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2023	**0.39**	**0.07**	**0.19**	**0.65**
Transfer to Stage 1	0.09	(0.02)	(0.07)	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(0.01)	(0.05)	0.06	-
Loans derecognised during the year				-
Loans originated / derecognised during the year	0.80	0.18	0.75	1.73
Write offs during the year	-	(0.02)	(0.02)	(0.04)
ECL allowances balances as at March 31, 2024	**1.27**	**0.16**	**0.91**	**2.34**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.02	-	(0.02)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.05)	(0.15)	0.20	-
Loans derecognised during the year				
Loans originated / derecognised during the year	0.31	1.34	5.04	6.69
Write offs during the year	(0.01)	-	(0.07)	(0.08)
ECL allowances balances as at March 31, 2025	**1.52**	**1.37**	**6.06**	**8.95**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2023	**104.15**	**3.17**	**9.00**	**116.32**
Transfer to Stage 1	8.10	(1.63)	(6.47)	-
Transfer to Stage 2	(1.71)	1.71	-	-
Transfer to Stage 3	(4.93)	(1.21)	6.14	-
Loans derecognised during the year				
Loans originated / derecognised during the year	5.36	0.45	2.98	8.79
Write offs during the year	(0.56)	(0.71)	(4.58)	(5.85)
Gross carrying value as at March 31, 2024	**110.41**	**1.78**	**7.07**	**119.26**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.11	(0.02)	(0.09)	-
Transfer to Stage 2	(2.55)	2.55	-	-
Transfer to Stage 3	(9.87)	(0.62)	10.49	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(1.48)	(0.33)	(2.05)	(3.86)
Write offs during the year	(0.37)	(0.67)	(3.83)	(4.87)
Gross carrying value as at March 31, 2025	**96.25**	**2.69**	**11.59**	**110.53**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2023	**1.51**	**0.43**	**4.20**	**6.14**
Transfer to Stage 1	3.71	(0.27)	(3.44)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.06)	(0.12)	0.18	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(4.43)	0.53	4.15	0.25
Write offs during the year	(0.02)	(0.17)	(2.76)	(2.95)
ECL allowances balances as at March 31, 2024	**0.69**	**0.42**	**2.33**	**3.44**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.03	-	(0.03)	-
Transfer to Stage 2	(0.02)	0.02	-	-
Transfer to Stage 3	(0.06)	(0.10)	0.16	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(0.11)	0.58	3.15	3.62
Write offs during the year	-	(0.21)	(1.81)	(2.02)
ECL allowances balances as at March 31, 2025	**0.53**	**0.71**	**3.80**	**5.04**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

(a) Gross exposure reconciliation:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2023	**2,367.39**	**21.60**	**55.71**	**2,444.70**
Transfer to Stage 1	55.13	(11.57)	(43.56)	-
Transfer to Stage 2	(38.90)	38.92	(0.02)	0.00
Transfer to Stage 3	(116.37)	(9.12)	125.49	-
Loans derecognised during the year				
Loans originated / derecognised during the year	1,249.00	9.11	24.11	1,282.22
Write offs during the year	(3.95)	(8.19)	(38.87)	(51.01)
Gross carrying value as at March 31, 2024	**3,512.30**	**40.75**	**122.86**	**3,675.91**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	1.45	(0.85)	(0.60)	-
Transfer to Stage 2	(79.04)	79.04	-	-
Transfer to Stage 3	(192.24)	(8.80)	201.04	-
Loans derecognised during the year				
Loans originated / derecognised during the year	959.75	1.98	(28.04)	933.69
Write offs during the year	(88.82)	(25.83)	(103.63)	(218.28)
Gross carrying value as at March 31, 2025	**4,113.40**	**86.29**	**191.63**	**4,391.32**

(b) Reconciliation of ECL balances

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances balances as at March 31, 2023	**15.45**	**3.00**	**28.23**	**46.68**
Transfer to Stage 1	26.35	(1.75)	(24.60)	-
Transfer to Stage 2	(0.24)	0.25	(0.01)	-
Transfer to Stage 3	(0.73)	(1.09)	1.82	-
Loans derecognised during the year				
Loans originated / derecognised during the year	(24.61)	17.52	109.38	102.29
Write offs during the year	(0.04)	(1.33)	(23.10)	(24.47)
ECL allowances balances as at March 31, 2024	**16.18**	**16.60**	**91.72**	**124.50**
Changes due to loans recognised in the opening balances that have :				
Transfer to Stage 1	0.64	(0.35)	(0.29)	-
Transfer to Stage 2	(0.36)	0.36	-	-
Transfer to Stage 3	(0.88)	(3.18)	4.06	-
Loans derecognised during the year				
Loans originated / derecognised during the year	8.88	36.03	107.77	152.68
Write offs during the year	(0.45)	(12.09)	(66.48)	(79.02)
ECL allowances balances as at March 31, 2025	**24.01**	**37.37**	**136.78**	**198.16**

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

49.2 Liquidity risk

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

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

Maturities of financial liabilities

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

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Lease liabilities	9.52	18.89	28.41	6.97	16.66	23.63
Debt securities	634.93	783.20	1,418.13	503.71	518.63	1,022.34
Borrowings (other than debt securities)	1,574.34	1,533.86	3,108.20	1,567.89	908.76	2,476.65
Other financial liabilities	48.13	-	48.13	55.42	-	55.42
Derivative Financial Instrument	-	-	-	3.15	-	3.15
	2,266.92	**2,335.95**	**4,602.87**	**2,137.14**	**1,444.05**	**3,581.19**

49.3 Market risk

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

49.3.1 Foreign currency risk

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

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

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

Particulars	Currency	As at March 31, 2025	As at March 31, 2024
Financial liabilities, ₹ Crores	USD	185.43	220.94
Financial liabilities, ₹ Crores	EURO	138.49	135.33

(All amounts are in ₹ Crores unless otherwise stated)

49.3.2 Interest rate risk

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

(a) Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Debt securities		
Variable rate	10.00	10.02
Fixed rate	1,408.13	1,012.32
Borrowings (other than debt)		
Variable rate	1,584.17	966.02
Fixed rate	1,524.03	1,510.63
Sensitivity analysis		
Increase by 80 basis points	12.75	7.81
Decrease by 80 basis points	(12.75)	(7.81)

(b) Assets

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

Loans extended by the Company are all fixed rate loans

(c) Price risk exposure

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

Particulars	As at March 31, 2025	As at March 31, 2024
Investments	41.76	10.61
Sensitivity analysis		
increase by 4%	-	-
decrease by 4%	-	-

50 LEASES

50.1.1 Carrying value of lease liabilities:

Particulars	Total	Leases
Balance at March 31, 2023	**24.28**	**24.28**
Additions	10.06	10.06
Finance cost	2.21	2.21
Termination / Adjustments	(1.65)	(1.65)
Lease payments	(11.27)	(11.27)
Balance at March 31, 2024	**23.63**	**23.63**
Additions	19.20	19.20
Finance cost	4.57	4.57
Termination / Adjustments	(4.14)	(4.14)
Lease payments	(14.85)	(14.85)
Balance at March 31, 2025	**28.41**	**28.41**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

50.1.2 Maturity analysis of lease liabilities

Contractual undiscounted cash flows	As at March 31, 2025	As at March 31, 2024
Less than one year	12.59	11.19
One to five years	20.73	17.35
More than five years	2.82	0.39
Undiscounted lease liabilities	**36.14**	**28.93**

50.1.3 Amounts recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities	4.57	2.21
Depreciation on ROU assets	11.20	9.45
	15.77	**11.66**

50.1.4 Cash outflow of leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash outflow of leases		
Lease payments	14.85	11.27
	14.85	**11.27**

50.1.5 Break up value of the current and non-current lease liabilities for the year ended March 31, 2025

Contractual undiscounted cash flows	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	9.52	6.97
Non-current lease liabilities	18.89	16.66
	28.41	**23.63**

51 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

Valuation principles

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

Fair value hierarchy of asset and liabilities measured at fair value

Particulars	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial asset				
Derivative financial instruments	-	0.24	-	0.24
Investments				
Security receipts	-	36.97	-	36.97
	-	**37.21**	**-**	**37.21**
Financial liabilities				
Derivative financial instruments	-		-	-
	-	**-**	**-**	**-**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
At fair value through profit and Loss				
Financial Asset				
Derivative financial instruments	-	-	-	-
Investments				
Security receipts	-	15.71	-	15.71
	-	15.71	-	15.71
Financial Liabilities				
Derivative financial instruments	-	3.15	-	3.15
	-	**3.15**	**-**	**3.15**

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.

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

For the year March 31, 2025

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	4,846.62	26.06	4,820.56	19.68	6.38
Standard	Stage 2	93.67	39.45	54.22	0.38	39.07
Subtotal		**4,940.29**	**65.51**	**4,874.78**	**20.06**	**45.45**
Non-performing assets (NPA)						
Sub - standard	Stage 3	204.77	135.16	69.61	20.59	114.57
Subtotal Sub -Standard		**204.77**	**135.16**	**69.61**	**20.59**	**114.57**
Doubtful - up to 1 year	Stage 3	7.18	6.40	0.78	6.40	-
1 to 3 years	Stage 3	5.09	5.08	0.01	5.08	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal Doubtful		12.27	11.48	0.79	11.48	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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)
Loss assets		-	-	-	-	-
Subtotal NPA	**Stage 3**	**217.04**	**146.64**	**70.40**	**32.07**	**114.57**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
All assets	Stage 1	4,846.62	26.06	4,820.56	19.68	6.38
	Stage 2	93.67	39.45	54.22	0.38	39.07
	Stage 3	217.04	146.64	70.40	32.07	114.57
Total		**5,157.33**	**212.15**	**4,945.18**	**52.13**	**160.02**

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

52.1 For the year March 31, 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 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	3,955.02	18.14	3,936.88	16.27	1.87
Standard	Stage 2	43.01	17.18	25.83	0.23	16.95
Subtotal		**3,998.03**	**35.32**	**3,962.71**	**16.50**	**18.82**
Non-performing assets (NPA)						
Sub - standard	Stage 3	124.87	93.38	31.49	12.34	81.04
Subtotal Sub -Standard		**124.87**	**93.38**	**31.49**	**12.34**	**81.04**
Doubtful - up to 1 year	Stage 3	6.72	1.58	5.14	6.10	(4.52)
1 to 3 years	Stage 3	0.04	-	0.04	0.04	(0.04)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal Doubtful		**6.76**	**1.58**	**5.18**	**6.14**	**(4.56)**
Loss assets		-	-	-	-	-
Subtotal NPA	**Stage 3**	**131.63**	**94.96**	**36.67**	**18.48**	**76.48**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
All assets	Stage 1	3,955.02	18.14	3,936.88	16.27	1.87
	Stage 2	43.01	17.18	25.83	0.23	16.95
	Stage 3	131.63	94.96	36.67	18.48	76.48
Total		**4,129.66**	**130.28**	**3,999.38**	**34.98**	**95.30**

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

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

53 ASSET LIABILITY MANAGEMENT - MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2025

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-		-
Advances*	284.03	-	-	191.57	194.34	596.19	1,163.10	2,081.44	316.34	118.17	4,945.18
Investments^	231.78	141.14	155.91	17.68	10.26	34.68	100.49	29.83	-	-	721.77
Borrowing**	51.16	19.54	103.28	168.92	196.32	560.68	1,075.68	1,785.19	236.45	-	4,197.22
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	6.07	-	-	-	-	-	27.62	266.34	29.08	-	329.11

As at March 31, 2024

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-		-
Advances*	225.72	-	-	155.80	158.10	484.39	952.46	1,798.59	180.53	43.84	3,999.42
Investments^	250.31	40.02	18.61	17.87	12.89	51.29	59.85	43.08	-	-	493.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 year up to 5 years	Over 5 years	Total
Borrowing**	44.73	29.04	119.63	141.53	257.09	493.27	908.21	993.07	89.21	59.46	3,135.24
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	78.10	191.08	94.57	-	363.75

Notes

*EIR on advances has been included as per repayment schedule.

*Net of provision for standard and non performing asset.

*Advances do not include staff loan.

*The advances are gross of impairment loss allowance.

**EIR on borrowing has been included in the last bucket of the respective borrowing.

^Investments include the amount of deposits with banks and exclude Investment in Security receipts and Investment in Pass through certificates.

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

(b) Above ALM does not consider cash balance existing as on balance sheet date.

53.2 Summary of material accounting policies

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

53.3 Capital

	As at March 31, 2025	As at March 31, 2024
(a) CRAR (%)	34.92%	32.79%
(b) CRAR - Tier I Capital (%)	34.92%	32.79%
(c) CRAR - Tier II Capital (%)	-	-
(d) Amount of subordinated debt raised as Tier-II capital	-	-
(e) Amount raised by issue of perpetual debt instruments	-	-

53.4 Investments

	As at March 31, 2025	As at March 31, 2024
Value of investments		
Gross value of investments		
In India	76.16	15.96
Outside India	-	-
Provisions for depreciation		
In India	34.40	5.35
Outside India	-	-
Net value of investments		
In India	41.76	10.61
Outside India	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Movement of provisions held towards depreciation on investments		
Opening balance	5.35	5.10
Add : Provisions made during the year	29.05	0.25
Less Write-off / write-back of excess provisions during the year	-	-
Closing balance	34.40	5.35

53.5 Derivatives

53.5.1 Forward rate agreement / interest rate swap

	As at March 31, 2025	As at March 31, 2024
The notional principal of swap agreements	323.91	356.27
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	-	-
The fair value of the swap book	0.24	(3.15)

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

53.5.2 Exchange traded interest rate (IR) derivatives

Particulars	Amount
Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2025 (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a) Nil	Nil
b) Nil	Nil
c) Nil	Nil

53.5.3 Disclosures on risk exposure in derivatives

Qualitative disclosures

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

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

Quantitative disclosures

Particulars	As at March 31, 2025		As at March 31, 2024	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
Derivative (notional principal amount) – for hedging	323.91	-	356.27	-
Marked to market positions	0.24	-	(3.15)	-
Credit exposure	323.91	-	356.27	-
Unhedged exposures	-	-	-	-

*It includes Cross currency interest rate swap

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

53.7 Exposures

53.7.1 Exposure to real estate sector

Category	As at March 31, 2025	As at March 31, 2024
(a) **Direct exposure**		
Residential mortgages	**720.95**	**431.76**
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based limits.	720.95	431.76
Commercial real estate	**45.07**	**22.00**
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	45.07	22.00
Investments in Mortgage Backed Securities (MBS) and other securitised exposures	NIL	NIL
Residential	NIL	NIL
Commercial real estates	NIL	NIL
(b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
	766.02	**453.76**

53.7.2 Exposure to capital market

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(b) 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
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(g) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	NIL	NIL
(i) Financing to stockbrokers for margin trading	NIL	NIL
(j) All exposures to Alternative Investment Funds:		
(i) Category I	NIL	NIL
(ii) Category II	NIL	NIL
(iii) Category III	NIL	NIL

Note 1: The above 53.7.1 information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumptions. The same has been relied upon by the auditors. Note 2: There is an investment in subsidiary at cost (unquoted) i.e. 249,999 equity shares of RS 10 in Foundation for Advancement of Micro Enterprises (FAME) total ₹ 0.25 Crores. Please refer note 6 - Investments.

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

53.8 Details of financing of parent company products

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

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

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the March 31, 2025 and March 31, 2024.

53.10 Unsecured advances

The Company has given ₹ 2,202.90 Crores (previous year: ₹ 1659.19 Crores) of unsecured loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

53.11 Miscellaneous

53.11.1 Registration obtained from other financial sector regulators

The Company does not hold any other registration other than NBFC registration from RBI and Corporate Agent from IRDAI.

Registration/ License	Issuing Authority	Registration / License number
Certificate of Registration	Reserve Bank Of India (RBI)	B-14.03323
Certificate of Registration-Corporate Agent	Insurance Regulatory and Development Authority of India (IRDAI)	CA0957 (Valid till 26-Jun-2027)

53.11.2 Disclosure of penalties imposed by RBI and other regulators –

No penalties were imposed by the regulator during the year ended March 31, 2025 and March 31, 2024.

53.11.3 Related party transactions

Refer note 36 of Financial Statements for related party transaction disclosure.

The Company have not entered into any transactions related to borrowings, deposits, placement of deposits, advance, purchase/sale of fixed/other assets and Investments during the year with directors, KMP and their relatives except (i) advance given to subsidiary (FAME) of ₹ 2 Crores , maximum outstanding during the year of ₹ 2 Crores and outstanding as on March 31, 2025 of ₹ 0.25 Crores. (ii) loan given to KMP of ₹ 0.36 Crores , maximum outstanding during the year of ₹ 0.36 Crores and outstanding as on March 31, 2025 of ₹ 0.33 Crores.

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

Rating purpose	2024-25		FY 2023-24	
	Rating Assigned	Rating Outlook	Rating Assigned	Rating Outlook
Aye Finance Limited (Formerly known as Aye Finance Private Limited) by India Ratings & Research				
NCD ₹ 1908.45 Crores (previous year 1013.79 Crores)*	[IND] A	Stable	[IND] A-	Positive
Bank loans 1000 Crores (previous year ₹ 500 Crores)*	[IND] A	Stable	[IND] A-	Positive
Commercial paper ₹ 50 Crores (previous year ₹ 50 Crores)*	[IND] A1	-	[IND] A1	-
Principal protected market-linked debenture (PP-MLD) ₹ 5 Crores (previous year 195 Crores)*	IND PP-MLD A	Stable	IND PP-MLD A -	Positive
Aye Finance Limited (Formerly known as Aye Finance Private Limited) by ICRA				
Long term bank facility ₹ 550 Crores (previous year NA)***	[ICRA] A	Stable	N.A.	N.A.

*Pursuant to the rating letter dated July 19,2024 by India Ratings and Research Limited has upgraded Aye Finance Private Limited's (Aye) Long-Term Issuer Rating to 'IND A/Stable Outlook' from 'IND A-/ Positive Outlook'.

**ICRA ratings of NCD of ₹ 65.00 Crores withdrawn w.e.f. May 19, 2023. Rating at the time was BBB+ with positive outlook

***ICRA rating letter dated December 06, 2024.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

53.12 Additional disclosures

53.12.1 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	As at March 31, 2025	As at March 31, 2024
Provisions for depreciation on investment	29.05	-
Provision towards NPA	51.68	62.38
Provision made towards income tax net of deferred tax	53.74	66.73
Other provision and contingencies (Gratuity and Leave encashment)	10.89	7.39
Other provision and contingencies (Impairment Provision on Staff Loans)	0.53	-
Provision for Standard assets	30.20	14.42

53.12.2 Draw down from reserves

The Company has not made any drawdown from the reserve during the year ended March 31, 2025 and March 31, 2024.

53.13 Concentration of deposits, advances, exposures and NPAs

The Company has not taken any deposits from any party during the year ended March 31, 2025 and March 31, 2024.

53.13.1 Concentration of advances

Particulars	As at March 31, 2025	As at March 31, 2024
Total advances to twenty largest borrowers	3.33	2.13
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.06%	0.05%

53.13.2 Concentration of exposures

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to twenty largest borrowers / customers	3.33	2.13
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	0.06%	0.05%

53.13.3 Concentration of NPAs

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four credit impaired accounts	0.36	0.28

53.13.4 Sector-wise NPAs

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31, 2025	As at March 31, 2024
(a) Agriculture and allied activities	-	-
(b) MSME	4.21%	3.19%
(c) Corporate borrowers	-	-
(d) Services	-	-
(e) Unsecured personal loans	-	-
(f) Auto loans	-	-
(g) Other personal loans	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

53.13.5 Movement of NPAs

Particulars			As at March 31, 2025	As at March 31, 2024
(a)	Net NPAs to Net Advances (%)		1.40%	0.91%
(b)	Movement of NPAs (Gross)			
	(i)	Opening balance	131.63	65.39
	(ii)	Additions during the year	200.57	119.44
	(iii)	Reductions during the year	(115.16)	(53.20)
	(iv)	Closing balance	217.04	131.63
(c)	Movement of Net NPAs			
	(i)	Opening balance	36.67	32.81
	(ii)	Additions during the year	77.97	28.85
	(iii)	Reductions during the year	(44.24)	(24.99)
	(iv)	Closing balance	70.40	36.67
(d)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(i)	Opening balance	94.96	32.58
	(ii)	Additions during the year	122.60	90.59
	(iii)	Reductions during the year	(70.92)	(28.21)
	(iv)	Closing balance	146.64	94.96

53.14 Overseas assets

The Company does not own any assets outside the country as at March 31, 2025 and March 31, 2024.

53.15 Off – balance sheet SPVs sponsored

The Company does not have any off balance sheet SPV sponsored either domestic or overseas as at March 31, 2025 and March 31, 2024.

53.16 Disclosure of customer complaints

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

S. No.	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the NBFC from its customer		
(a)	No. of complaints pending at the beginning of the year	12	4
(b)	No. of complaints received during the year	1,612	864
(c)	No. of complaints redressed during the year	1,575	856
	Of which, number of complaints rejected by the NBFC*	-	-
(d)	No. of complaints pending at the end of the year	49	12
	Maintainable complaints received by the NBFC from office of Ombudsman		
(e)	Maintainable complaints received by the NBFC from office of Ombudsman	40	31
	Of (e), No of complaints resolved in favour of the NBFC from office of Ombudsman	39	31
	Of (e), No of complaints resolved through Conciliation/ Mediation/advisories issued by office of Ombudsman	1	-
	Of (e), No of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
(f)	No. of awards unimplemented with in the Stipulated time (other than those appealed)	-	-

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

March 31, 2025

SL No.	Grounds of complaints (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	%Increase / decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
(a)	Credit Bureau Rectification	6	473	45%	8	-
(b)	Customer Interaction Issue	3	542	131%	21	-
(c)	Customer Dispute or Money Misappropriate	1	162	206%	4	-
(d)	Settlement Related	-	112	87%	5	-
(e)	Contact Number Update/ Removal (non-Existing)	1	82	156%	6	-
(f)	Others	1	241	54%	5	-
		12	**1,612**	**87%**	**49**	**-**

March 31, 2024

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

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

53.17 Expenditure on corporate social responsibility

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

53.18 Disclosure on frauds pursuant to RBI Master Direction

The frauds detected and reported for the year amounted to ₹ 0.30 Crores (March 31, 2024 ₹ 0.42 Crores).

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

Particulars	As at March 31, 2025	As at March 31, 2024
No. of accounts restructured	111	343
Amount*	0.48	2.61

*Balances are as at March 31, 2025 and March 31, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

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

53.21 The Company owns 100% of Foundation for Advancement of Micro Enterprises (FAME), incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.

53.22 Transactions with non-executive directors

Name of non-executive director	Transaction type	As at March 31, 2025	As at March 31, 2024
Mr. Navin Kumar Maini	Payment of sitting fees	-	0.05
Ms. Kanika Tandon Bhal	Payment of sitting fees	0.11	0.07
Mr. Vinay Baijal	Payment of sitting fees	0.08	0.05
Ms. Arpita Pal Agarwal	Payment of sitting fees	-	0.03
Mr. Sanjaya Gupta	Payment of sitting fees	0.14	0.07
Mr. Govinda Rajulu Chinta	Payment of sitting fees	0.17	0.08
Ms. Padmaja Nair	Payment of sitting fees	0.05	-
		0.55	**0.35**

53.23 Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition as at March 31, 2025 and March 31, 2024.

53.24 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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

On the basis of information and record available with the management, there are no overdue balances of such suppliers and interest due on such accounts as on March 31,2025 and March 31, 2024.

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

53.25 Details of non-performing financial assets purchased/sold

The Company has sold non performing financial asset during 2024-25 and has not sold non performing financial asset during 2023-24. Refer Note no. 53.27.1 (c).

53.26 Value of imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2024 – Nil).

53.27 Disclosure pursuant to Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

53.27.1 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

(a) Details of transfer through assignment in respect of loans not in default during the year ended.

	As at March 31, 2025	As at March 31, 2024
Aggregate amount of loans transferred	208.67	246.78
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (residual maturity)	46.02 months	18.4 months
Weighted average holding period	13.27 months	7.64 months
Coverage of tangible security	-	-
Rating-wise distribution of rated loans	Unrated	Unrated

(b) Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of loan exposures) Directions, 2021 during the year ended March 31, 2025: Nil (March 31, 2024: Nil).

(c) (i) The Company did not transfer any stressed loan during the financial year ended March 31, 2024.

(c) (ii) Details of stressed loan transferred during the financial year ended March 31, 2025

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA*	SMA
No. of accounts	31,453	-
Aggregate principal outstanding of loans transferred	259.37	-
Weighted average residual tenor of the loans transferred (in months)	-	-
Net book value of loans transferred (at the time of transfer)	-	-
Aggregate consideration	36.31	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

*Including written off loans amounting to ₹ 259.37 Crores

(c) (iii) Details of security receipt held and credit ratings

Particulars	Rating Agency	As at March 31, 2025
Arcil -Retail Loan portfolio-077-A-Trust	India Ratings	RR1
Arcil -Retail Loan portfolio-077-B-Trust	Crisil Ratings	RR1
Arcil -Trust-2025-013	Unrated	Unrated

(d) The Company did not acquire any stressed loan during the financial year ended March 31, 2025 & March 31,2024.

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

53.27.3 Disclosures as required for liquidity risk

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

Particulars	As at March 31, 2025	As at March 31, 2024
Number of significant counter parties	27	33
Amount	3,193.10	3,014.14
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	68.23%	82.89%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

(b) Top 20 large deposits

Particulars	As at March 31, 2025	As at March 31, 2024
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	As at March 31, 2025	As at March 31, 2024
Total amount of top 10 borrowings	1,972.51	1,788.90
Percentage of amount of top 10 borrowings to total borrowings	43.58%	49.19%

(d) Funding concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2025		As at March 31, 2024	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Non-convertible debentures (Secured)	1,407.75	30.08%	912.64	25.09%
Non-convertible debentures (Unsecured)**	-	-	109.70	3.02%
Term Loans	1,852.89	39.59%	1,307.06	35.94%
Borrowing under securitization arrangement	925.13	19.77%	800.85	22.02%
External commercial borrowings	329.11	7.03%	363.74	10.00%
Working capital/Line of credit/Overdraft facility***	-	-	-	-

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

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

(e) Stock ratios

Particulars	As at March 31, 2025	As at March 31, 2024
Commercial papers as a % of total public funds	-	-
Commercial papers as a % of total liabilities	-	-
Commercial papers as a % of total assets	-	-
Non-convertible debentures (Original maturity of less than one year) as a % of total public funds	-	-
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-	-
Non-convertible debentures (original maturity of less than one year) as a % of total assets	-	-
Other short-term liabilities as a % of total public funds	51.45%	62.24%
Other short-term liabilities as a % of total liabilities	49.76%	59.88%
Other short-term liabilities as a % of total assets	36.74%	44.69%

Note 1 : Significant counterparty is as defined in RBI Circular RBI/1019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 04, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.

Note 2 : Significant instrument/product is as defined in RBI Circular RBI/1019-20/88 DOR. NBFC (PD) CC. No. 102/03. 10.001/2019-20 dated November 04, 2019 on liquidity risk management framework for NBFC and Core Investment Companies.

(All amounts are in ₹ Crores unless otherwise stated)

Note 3 : Public funds are as defined in Master Direction - Non Banking Financial Company - Scale based circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021.

53.28 Transfer of financial assets

53.28.1 Transferred financial assets that are not derecognised in their entirety

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

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost*	1,058.73	891.30
Carrying amount of associated liabilities (Debt securities -measured at amortised cost)	925.13	800.85

*Consist of unbilled & overdue principal.

53.28.2 Transferred financial assets that are derecognised

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

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	240.67	214.14
Carrying amount of exposures retained by the Company at amortised cost	24.07	21.41
Gain on sale of the derecognised financial assets	37.59	18.95

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

53.29 Detail of resolution plan implemented under the resolution framework for Covid - 19 related stress as per RBI circular dated August 06, 2020 (resolution framework - 1.0) and May 05, 2021 (resolution framework - 2.0) as March 31, 2025 as given below: -

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at March 31, 2024 (A) *	Of (A), aggregate debt that slipped in to NPA during the year ended March 31, 2025	Of (A) amount written off during the year ended March 31, 2025	Of (A) amount paid by the borrowers during the year ended March 31, 2025**	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2025 *
Personal Loans #	1.38	0.08	0.71	0.48	0.11
Corporate Persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	1.38	**0.08**	**0.71**	**0.48**	**0.11**

*Consist of unbilled and overdue principal

**Includes portfolio sold to ARC

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

53.30 Changes in liabilities arising from financing activities *

Particulars	April 1, 2024	Cash flows	Exchange difference	Other	March 31, 2025
Debt securities	1,022.34	395.79	-	-	1,418.13
Borrowings (other than debt securities)	1,675.80	503.65	3.62	-	2,183.07
Borrowings under securitisation	800.85	124.28	-	-	925.13
	3,498.99	**1,023.72**	**3.62**	**-**	**4,526.33**

Particulars	April 1, 2023	Cash flows	Exchange difference	Other	March 31, 2024
Debt securities	899.85	122.49	-	-	1,022.34
Borrowings (other than debt securities)	834.27	841.53	(0.00)	-	1,675.80
Borrowings under securitisation	562.04	238.81	-	-	800.85
	2,296.16	**1,202.83**	**(0.00)**	**-**	**3,498.99**

*Amounts are inclusive of accrued interest and EIR.

53.31 Pursuant to Regulation 54 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 we would like to state that all listed secured non-convertible debentures of the Company are secured by way of first exclusive charge on hypothecated book debts of the Company up to the extent minimum of 100% of the amount outstanding.

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

53.33 Intra Group Exposure

The Company does not have any Intragroup Exposures for the year ended March 31, 2025 & March 31, 2024.

53.34 Unhedged Foreign currency Exposure

The Company has Nil Unhedged Foreign currency Exposure as at March 31, 2025 & March 31, 2024. Refer Note 49.3.1 for policies to manage induce foreign currency risk.

53.35 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the year ended March 31, 2025 and March 31, 2024 except loans to senior officers(KMP) of ₹ 0.36 Crores during the year ended March 31, 2025.

53.36 Details of penalties imposed by RBI and other regulators

No penalty was levied during the year ended March 31, 2025 and March 31, 2024.

53.37 Breach of covenant

Instances of breach of covenant of loan availed or debt securities issued:

Breach of covenant	As at March 31, 2025	As at March 31, 2024
Number of instances*	20	-
Amount involved	965.97	-

*Out of 20 instances waiver has been secured in 5 instances from requisite lenders.

53.38 Divergence in Asset Classification and Provisioning

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

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

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

No inspection conducted by the RBI during the financial year ended March 31, 2025 and March 31, 2024.

53.39 Disclosure on Modified Opinion

The auditor have expressed an unmodified opinion for year ended March 31, 2025 & March 31, 2024.

53.40 Sectoral exposure

Sector	As at March 31, 2025			As at March 31, 2024		
	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure
(a) Agriculture and allied activities	-	-	-	-	-	-
(b) Industry	-	-	-	-	-	-
(c) Services	-	-	-	-	-	-
(d) Personal loans	-	-	-	-	-	-
(e) **Others - MSME**	5,157.33	217.04	4.21%	4,129.66	131.63	3.19%

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

SL No.	Particulars	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)	270.42	270.42
	Cash Outflows		
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	34.50	39.68
4	Secured wholesale funding	162.20	186.53
5	Additional requirements, of which		
	(i) Outflows related to derivative exposures and other collateral requirements	-	
	(ii) Outflows related to loss of funding on debt products	-	
	(iii) Credit and liquidity facilities	-	
6	Other contractual funding obligations	65.74	75.60
7	Other contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**	**262.45**	**301.81**
	Cash Inflows		
9	Secured lending	-	-
10	Inflows from fully performing exposures	193.05	144.79
11	Other cash inflows	422.78	317.09
12	**TOTAL CASH INFLOWS**	**615.84**	**461.88**
	Total Adjusted Value		
13	TOTAL HQLA		270.42
14	TOTAL NET CASH OUTFLOWS		75.45
15	**LIQUIDITY COVERAGE RATIO (%)**		**358.39%**

Qualitative Disclosure on LCR –

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of ₹5,000.00 Crores and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e. cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines, LCR has been calculated using the simple average of daily observations (over a period of 90 days).

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments. To compute inflow from fully performing exposures, the Company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from non-collable fixed deposits, Certificates of deposits, and mutual fund investments maturing in the next 30 days on as-is basis. The LCR as of March 31, 2025, is 358.39%, which is above the regulatory requirement of 100%.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

54 OTHER NOTES

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

Liabilities Side:

54.1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:

Sr. No.	Particulars	Amount Outstanding	Amount Overdue
(a)	Debentures:		
	(i) Secured	1,407.75	-
	(ii) Unsecured	10.38	-
	(other than falling within the meaning of Public deposits*)		
(b)	Deferred credits		
(c)	Term loans	2,182.00	-
(d)	Inter-corporate loans and borrowings		
(e)	Commercial paper		
(f)	Public deposits		
(g)	Other loans		
	(i) Liabilities in respect of securitised transactions	925.13	
	(ii) Loans repayable on demand	1.07	

*Please see Note 1 below

54.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Sr. No.	Particulars	Amount Outstanding	Amount Overdue
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-

*Please see Note 1 below

Assets Side:

54.3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Sr. No.	Particulars	Amount Outstanding
(a)	Secured	2,959.99
(b)	Unsecured	2,202.90

54.4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Sr. No.	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
	(b) Operating Lease	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

Sr. No.	Particulars	Amount Outstanding
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
(iii)	Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Assets Side:

54.5 Break-up of investments:

Sr. No.	Particulars	Amount Outstanding
	Current investments:	
1	**Quoted:**	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others	-
2	**Unquoted:**	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others(security receipt - ARCIL TRUST)	7.93
	Long Term Investments:	
1	**Quoted:**	
	(i) Shares:	-
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others	-
2	**Unquoted:**	
	(i) Shares:	
	(a) Equity	0.25
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (Pass through certificates & security receipt - ARCIL TRUST)	67.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1 Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	2,853.57	2,096.64	4,950.21
	2,853.57	**2,096.64**	**4,950.21**

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

Category	Market Value/Break-up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties **		
(a) Subsidiaries	0.25	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	75.91	41.76
	76.16	**41.76**

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

54.8 Other information

Particulars	Amount
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	217.04
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	70.40
(iii) Assets acquired in satisfaction of debts (net of provision)	-

Notes:

1 As defined in Paragraph 5.1.26 of the RBI NBFC Directions.

2 Provisioning norms shall be applicable as prescribed in these Directions.

3 All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

55 OTHER STATUTORY INFORMATION

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

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

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

(d) The Company does not have any pending creation of charge or satisfaction of charge which are yet to be filed or registered with Registrar of Companies except for 32 cases where satisfaction of charges could not be filed due to non receipt of NOC from respective bank/financial institution. The Company is in process of obtaining such NOCs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)
(All amounts are in ₹ Crores unless otherwise stated)

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

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

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

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

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

(j) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

   The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

      (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

      (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

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

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

(m) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or Jointly with any other person that are:

   (a) Repayable on demand; or

   (b) without specifying any terms or period of repayment.”

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

(o) During the financials year 2024-25 and financials year 2023-24, The Company has not invested with number of layers of Companies as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

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

For and on behalf of the Board of Directors of
Aye Finance Limited (Formerly known as Aye Finance Private Limited)

per Vijay Kumar	**Sanjay Sharma**	**Govinda Rajulu Chintala**	**Krishan Gopal**	**Vipul Sharma**
Partner Membership No: 092671	Managing Director DIN: 03337545	Chairperson and Independent Director DIN: 03622371	Chief Financial Officer	Company Secretary Membership No: A27737
Gurugram May 21, 2025	Gurugram May 21, 2025	Hyderabad May 21, 2025	Gurugram May 21, 2025	Gurugram May 21, 2025

NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Second (32nd) Annual General Meeting of the Members of **AYE FINANCE LIMITED (Formerly Known as Aye Finance Private Limited) ("Company")** will be held on **Friday, September 26 2025 at 3:00 P.M. (IST)** through Video conferencing or Other Audio Visual Mode (OAVM) to transact the following businesses: -

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025 ALONG WITH THE REPORTS OF THE DIRECTOR'S AND STATUTORY AUDITORS THEREON**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with rules made thereunder, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments, thereof for the time being in force), the Audited Financial Statements including Balance Sheet of the Company as on March 31, 2025, Statement of Profit & Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2025 together with the schedules/notes thereto along with Reports of the Board of Directors and Statutory Auditors together with its annexures thereon be and are hereby received, considered and adopted."

2. **TO APPOINT A DIRECTOR IN PLACE OF MR. SANJAY SHARMA (DIN: 03337545) WHO RETIRES BY ROTATION AND, BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013 read with relevant provisions of Articles of Association of the Company, Mr. Sanjay Sharma (DIN: 03337545), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESSES:

3. **TO APPROVE INCREASE IN THE BORROWING LIMIT OF THE COMPANY FROM ₹ 7,000 CRORES TO ₹ 8,000 CRORES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

   "**RESOLVED THAT** in supersession of an earlier special resolution passed by the members of the Company in their 31st Annual General Meeting held on September 27, 2024 and pursuant to the provisions of Section 180(1)(c) & other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with rules made thereunder & as per the applicable directions/ guidelines issued by the Reserve Bank of India & any other circulars, notifications & guidelines issued in this regard (including any statutory modification(s), enactment(s) or re-enactment thereof for the time being in force) read with relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to raise or borrow from time to time such sum or sums of monies in any form whether in Indian rupees or in foreign currency, in any form or manner and in one or more tranches including but not limited to by way of loan or financial facility/assistance from any bank, financial institution, foreign lender and/or other lenders and/or by way of issue of debentures/bonds/ commercial papers/external commercial borrowings or such other instrument, with or without security, whether in India or outside India on such terms and conditions as the Board or any committee authorised for the same may deem fit for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from its bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company not set apart for any specific purpose provided that the total amount up to which monies may be borrowed by the Board of Directors shall not remain outstanding for more than ₹ 8,000 Crores (Indian Rupees Eight Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT the Board, be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

4. **TO APPROVE CREATION OF CHARGES ON THE ASSETS OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/TO BE MADE BY THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT in supersession of an earlier special resolution passed by the members of the Company in their 31st Annual General Meeting held on September 27, 2024 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("**Act**") read with rules made thereunder and other applicable provisions, if any & as per the applicable directions/ guidelines issued by the Reserve Bank of India & any other circulars, notifications & guidelines issued in this regard (including any statutory modification(s), enactment(s) or re-enactment thereof for the time being in force) read with relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create such charges, mortgages, lien, pledge, hypothecation and/ or any other form of security interest of any nature and any kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/or any other form of security interest of any nature and any kind created by the Company, on such movable and/or immovable properties including book debt, receivables of the Company, both present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), in such manner as the Board or Committee authorised for the same may deem fit, in certain events in favour of banks/financial institutions, mutual funds, trusts, other body corporates and any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the holders of debentures/bonds/other instruments to secure inter-alia loan or financial facility/assistance from various banks, financial institutions, foreign lenders and/or other lenders and/or by way of issue of debentures/bonds/commercial papers/external commercial borrowings or such other instrument, etc. (hereinafter collectively referred to as the **"Loans"**) which may be issued on private placement basis or otherwise to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges and expenses thereon and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not exceed ₹ 8,000 Crores (Indian Rupees Eight Thousand Crores only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank exclusive/prior/ pari-passu/subsequent with/to the hypothecation/ mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board, be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever, as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

5. **TO APPROVE ISSUANCE OF NON-CONVERTIBLE DEBENTURES IN ONE OR MORE TRANCHES ON PRIVATE PLACEMENT BASIS**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** in supersession of an earlier special resolution passed by the members of the Company in their 31st Annual General Meeting held on September 27, 2024 and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange

Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" dated May 22, 2024 [including any statutory modification(s), enactment(s) or re-enactment thereof for the time being in force] and the enabling provisions of the listing agreement(s) entered into with the stock exchange(s) where the applicable securities of the Company are listed, Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory/regulatory authority, as may be applicable, the Memorandum and Articles of Association of the Company and subject to such consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if any and to the extent necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create, offer, invite for subscription, issue and allot non-convertible debentures ((a) subordinated, (b) listed, (c) senior secured, (d) senior unsecured, (e) unsecured, (f) market linked debentures, (g) perpetual or non-perpetual, and/or (h) any others (as may be determined)) ("**NCDs**") by way of private placement, in 1 (one) or more series or tranches, from time to time, to any category of investors eligible to invest in the NCDs, provided that the aggregate amount to be raised through the issuance of NCDs shall not collectively exceed an overall limit of ₹ 4,000 Crores (Indian Rupees Four Thousand Crores only) ("**Limit**") on such terms and conditions including the price, coupon, premium / discount on face value, redemption premium, tenor etc., and at such times whether at par/premium/discount, as may be determined by the Board to such person or persons including one or more company(ies), bodies corporate, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment funds, pension/provident funds, family office(s), and individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve in its absolute discretion, for a period of 1 (one) year, from the date of approval of this resolution by the Members of the Company and the Limit shall be subject to the overall borrowing limits of the Company, as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard and do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to disclosures with stock exchanges and to comply with all other requirements in this regard."

6. **TO APPOINT AND FIX THE REMUNERATION OF SECRETARIAL AUDITORS**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 204 & other applicable provisions, if any, of the Companies Act, 2013 ('Act') including rules made thereunder, Regulation 62M & other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s), enactment(s) or re-enactment thereof for the time being in force), and as recommended by Audit Committee & Board of Directors of the Company, consent of the members be and is hereby accorded to appoint M/s Sanjay Grover & Associates, Company Secretaries, a peer reviewed firm (Firm Registration No. P2001DE052900 and ICSI Peer Review Certificate No. 6311/2024) as the Secretarial Auditors of the Company, for a term of 5 (Five) consecutive years commencing from FY 2025-26 to FY 2029-30, at such terms and conditions as detailed in the explanatory statement annexed hereto and to avail any other services, certificates or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as '**Board**', which term shall be deemed to include any Committee constituted or to be constituted by the Board in this regard) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/scope of work of the Secretarial Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in regulations and such other requirements resulting in the change in scope of work, etc. without being required to seek any further consent or approval of the members of the Company."

By order of the Board
For Aye Finance Limited
(formerly known as Aye Finance Private Limited)

(Vipul Sharma)

Company Secretary, Compliance Officer
& Chief Compliance Officer
Membership No. A27737

Place: Gurugram
Date: July 31, 2025

NOTES:

(a) The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special businesses as stated above is annexed hereto.

(b) Notice of Annual General Meeting ("**AGM**") *inter-alia* indicating the process and manner of attending the AGM through VC are being sent by email to the Members, Debenture Trustees, Auditors, Directors of the Company and to all other persons so entitled whose email IDs have been made available to the Company / Registrar and Transfer Agent ("**RTA**") i.e. Kfin Technologies Limited or with Depository Participants ("**DP**").

(c) In compliance with the framework prescribed by Ministry of Corporate Affairs vide General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No.33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 3/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022, No. 9/2023 dated September 25, 2023 and No. 9/2024 dated September 19, 2024, 32nd AGM of the Company is being held through Video Conferencing ("**VC**"). The deemed venue for the AGM shall be the Registered Office of the Company.

(d) As the meeting is conducted through VC, physical attendance of Members has been dispensed with and the members are requested to virtually attend and vote at the AGM. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

(e) Members attending the AGM through VC facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 and MCA General Circular No. 14/2020 dated April 8, 2020.

(f) The Company has in ts record the email address of all its members, in accordance with the MCA General Circular No. 20/2020 dated May 5, 2020.

(g) The members can participate in the AGM by installing "Zoom Software" in their computer systems (from the link given below) and dialling Meeting ID and Password-

Join Zoom Meeting: https://us06web.zoom.us/j/89855773407?pwd=YkDyDiscTbrPrlnE7N24UpUaHsIOVA.1

Meeting ID: 898 5577 3407

Passcode: 522709

(h) For any IT related issues w.r,t. AGM, please contact Mr. Sandeep Masih (Ph. No- +91-8448589977)

(i) The facility for joining the meeting shall be kept open at least 15 minutes before and close after the expiry of 15 minutes of the scheduled time of commencement of meeting.

(j) Members are requested to submit their queries in advance to below mentioned person through mail:

Name: Mr. Vipul Sharma
Designation: Company Secretary, Compliance Officer & Chief Compliance Officer
Mail id: secretarial@ayefin.com **Mob./Phone No.: 0124-4844000**

(k) Corporate members intending to authorise their representatives to attend and vote at the AGM are advised to send a duly certified copy of the relevant board resolution/authority letter before attending AGM at secretarial@ayefin.com.

(l) SEBI, vide circular nos. SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated on December 28, 2023), as amended, has established a common Online Dispute Resolution Portal **("ODR Portal")** for resolution of disputes arising in the Indian Securities Market.

Pursuant to above circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login).

(m) Documents referred in this notice and the statement annexed to this notice will be kept open for inspection by the members at the registered office as well as at the corporate office of the Company from Monday to Friday during 10:00 a.m. to 12:30 p.m., except holidays, up to the date of the AGM. The following registers and certificate shall remain open for inspection as per the period specified above:

1) Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act.

2) Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

(n) Members are also requested to notify any change in their email ID in all correspondence with the Company and share request of updation of email at secretarial@ayefin.com.

(o) Further, as required under the provisions of the Secretarial Standard on General Meetings, details of the director, who is being appointed/re-appointed is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Being into the business of NBFC, the Company envisages requirements of more funds from various lenders of repute to run its operations smoothly and consistently. The Company has outstanding borrowing of ₹ 4,516 Crores (including Pass Through Certificate (**"PTC"**) of ₹ 924 Crores) as of March, 2025. The Company has a plan to raise additional funding to the tune of ₹ 5,000 - ₹ 5,500 Crores in the form of debt through different instruments including PTC. This fresh borrowing estimates may take our exposure over the current approved limit of ₹ 7,000 Crores.

Since the existing approved limit is likely to get exhausted in near future, it is proposed to increase the present borrowing limits from ₹ 7,000 Crores (Indian Rupees Seven Thousand Crores only) to ₹ 8,000 Crores (Indian Rupees Eight Thousand Crores only) over and above the paid-up share capital, free reserves and securities premium of the Company.

Pursuant to Section 180(1)(c) of the Act, the Board of Directors or any Committee authorised by the Board shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Members of the Company by way of a Special Resolution.

Accordingly, the Board of Directors of the Company, vide its resolution passed at the meeting held on May 21, 2025 has proposed to increase the borrowing limit, subject to approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

The Board of Directors of the Company recommends the resolution set out as Item No. 3 of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 4

Pursuant to Section 180(1)(a) of the Act, the Company is required to create such charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind, created by the Company, on such movable and/or immovable properties, including the whole or substantially the whole of the Company's undertaking or undertakings, both present and future, and in such manner as the Board may deem fit, together with power to dispose off the substantial assets of the Company in certain events in favour of banks/financial institutions and their subsidiaries, mutual funds, trust, other body corporates any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the holders of debentures/bonds/other instruments to secure inter-alia loan or financial facility/assistance from various banks, financial institutions and/or other lenders and/or by way of issue of debentures/bonds/commercial papers/external commercial borrowings or such other instrument, etc. (hereinafter collectively referred to as the **"Loans"**) which may be issued on private placement basis or otherwise to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, at present the Company can incur up to ₹ 7,000 Crores (Indian Rupees Seven Thousand Crores only).

Accordingly, it is proposed to seek approval of the Members under Section 180(1)(a) of the Act, to authorise the Board of Directors to create such charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind in addition to the existing charges, mortgages, lien, pledge, hypothecation and/or create security interest of every nature and kind, created by the Company, on such movable and/or immovable properties, including the whole or substantially the whole of the Company's undertaking or undertakings, both present and future, and in such manner as the Board may deem fit, together with power to dispose off the substantial assets of the Company in certain events in favour of banks/financial institutions and their subsidiaries, mutual funds, trust, other body corporates any other lenders (or any agent, security trustee, debenture trustees or any other person acting on their behalf) for the purpose of securing the borrowing(s) of the Company for a sum equivalent to ₹ 8,000 Crores (Indian Rupees Eight Thousand Crores only).

The Board of Directors of the Company, vide its resolution passed at the meeting held on May 21, 2025 has proposed to approve creation of charges on the assets of the Company, subject to approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

The Board of Directors of the Company recommends the resolution set out as **Item No. 4** of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 5

Pursuant to the provisions of Section 42 of the Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company can issue securities including NCDs on a private placement basis subject to the condition that the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company, by means of a special resolution, for each of the offer or invitation. In case of an offer or invitation for NCDs, it shall be sufficient if the Company passes a special resolution only once in a year for all the offer(s) or invitation(s) to subscribe to such NCDs on a private placement basis, during a period of 1 (one) year from the date of passing of the special resolution.

In view of the above requirement, the Members of the Company at the last AGM held on September 27, 2024 had approved the raising of funds by issue of NCDs on private placement basis in pursuance of the relevant provisions of the applicable laws and circulars or guidelines issued by the RBI, up to an amount not exceeding ₹ 4,000 Crores (Indian Rupees Four Thousand Crores only), during a period of 1 (one) year from the date of passing of the special resolution, in one or more series/ tranches.

Currently, the Company has outstanding NCDs amounting to ₹ 1,415 Crores (Indian Rupees One Thousand Four Hundred and Fifteen Crores only) as of March 2025. The Company has a plan to raise additional funding through NCD issuances to the tune of ₹ 2,000 Crores (Indian Rupees Two Thousand Crores only) in next 12 months.

Accordingly, in order to augment resources for on-lending by the Company, repayment/ refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes and for any other purposes, consent of the Members of the Company is sought in connection with the aforesaid issue of listed, secured/ unsecured/ subordinated/ senior, rated/ unrated, perpetual/ non-perpetual, redeemable (including market linked debentures) cumulative/ non-cumulative NCDs in one or more tranches and they are requested to authorise the Board (including any Committee thereof, which the Board may have constituted/ authorised or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to the Board (including any Committee of the Board) to issue such NCDs for a period of 1 (one) year on private placement basis up to ₹ 4,000 Crores (Indian Rupees Four Thousand Crores only), in one or more series/ tranches on private placement basis within the limits permitted by the RBI and other regulatory authorities, if any, to the eligible investors, during a period of 1 (one) year from the date of passing of this special resolution.

The said non-convertible debt securities would be issued by the Company in accordance with the applicable statutory guidelines, for cash either at par or premium to face value depending upon the prevailing market conditions and the pricing of such securities depends upon various factors which may include prevailing risk free rates, competitor rates of similar rating and prevailing regulations.

Furthermore, the offer shall be made to such persons as identified under Section 42 of the Act, on such terms and conditions including the price, coupon, par/ premium/ discount, tenor etc., as may be determined by the Board, in the prevailing market conditions as permitted by the relevant applicable regulations.

The Board of Directors of the Company, vide its resolution passed at the meeting held on May 21, 2025 has proposed to approve issuance of non-convertible debentures in one or more tranches on private placement basis, subject to approval of the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

The Board of Directors of the Company recommends the resolution set out as Item No. 5 of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 6

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, pursuant to Regulation 62M of the SEBI Listing Regulations, every High Value Debt Listed Entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified by the Board, with the annual report of the listed entity.

Based on the recommendations of the Audit Committee, the Board of Directors has recommended the appointment of M/s Sanjay Grover & Associates, Company Secretaries, (Firm Registration No.: P2001DE052900 and ICSI Peer Review Certificate No. 6311/2024) ("Secretarial Audit Firm"), as the Secretarial Auditor of the Company, to carry out Secretarial Audit for a term of 5 (Five) consecutive years commencing from FY 2025-26 to FY 2029-30.

SGA has a rich history that stretches over two decades, and the team is mentored by senior professionals of repute who had worked with a large engineering conglomerate having multinational operations.

SGA, established in 2001 offers a full spectrum of corporate, secretarial, regulatory, compliance services, and legal & regulatory services relating to various corporate laws and other financial & technical collaborations incidental to foreign direct investments into India. SGA specialises in Corporate Consultancy in the areas of Legal Compliances, Board Management, Secretarial Audits, Corporate Governance Audit, Security Management Audit, Public issue of Securities, National and International listing of securities, Legal Due Diligence, Mergers, Acquisitions, Takeovers, Joint ventures and Collaborations

SGA is backed by a team of highly motivated professionals rendering services in diverse sectors. The dynamic professionals of SGA are very well exposed in dealing with various regulatory authorities like Registrar of Companies, Regional Director, National Company Law Tribunal, Ministry of Corporate Affairs, Competition Commission of India, SEBI Stock Exchanges, Reserve Bank of India etc.

Written Consent of the Secretarial Auditors and confirmation to the effect that they are eligible and not disqualified to be appointed as the Auditors of the Company in the terms of the provisions of the SEBI Listing Regulations, the Act and the rules made thereunder is obtained.

The proposed fees in connection with the secretarial audit to be paid to SGA for FY 2025-26 shall be ₹ 4,00,000/- (India Rupees Four Lakhs only) plus applicable taxes, excluding re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and Secretarial Audit Firm.

In addition to the secretarial audit, the Company would also obtain other services in the nature of certifications and other professional work which are to be mandatorily received from the Secretarial Auditors under various statutory regulations from time to time, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

The Board of Directors of the Company recommends the resolution set out as Item No. 6 of the Notice for approval by the Members as an Ordinary Resolution.

By order of the Board
For Aye Finance Limited
(formerly known as Aye Finance Private Limited)

(Vipul Sharma)

Company Secretary, Compliance Officer
& Chief Compliance Officer

Membership No. A27737

Place: Gurugram
Date: July 31, 2025

ANNEXURE-1 TO THE NOTICE

Details of director seeking appointment / re-appointment at the Annual General Meeting in accordance with applicable laws and Secretarial Standards 2 issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. Sanjay Sharma
DIN	03337545
Date of first appointment on the Board of the Company	November 27, 2013
Date of Birth	June 16, 1961
Age	63 years
Qualification	He holds bachelor of technology degree in mechanical engineering from Indian Institute of Technology Bombay and a post graduate diploma from the Indian Institute of Management, Bangalore
Nature of Expertise	He started his long career in banking and financial services with the Hongkong and Shanghai Banking Corporation Limited in 1988. He has been associated with Standard Chartered Bank, both in India and UAE. Later, he served as a vice president in HDFC Bank where he headed the direct banking business. He was part of the leadership team in the personal financial services division of ICICI Limited, which was responsible for launching all its retail asset products including automobile finance, home finance, consumer durables finance, and personal loans. He also served as senior vice president – customer operations & service delivery at Max New York Life Insurance Company Limited. Prior to being associated with our Company, he served as the CEO of Tamweel International, a division of Tamweel PJSC, a UAE based mortgage finance company.
Chairman/ Member of the Committee of the Board of Director of the Company	<table><tr><th>Chairperson</th><th>Member</th></tr><tr><td>Asset & Liabilities Committee</td><td>Risk Management Committee</td></tr><tr><td>Working Committee of Asset & Liabilities Committee</td><td>Corporate Social Responsibility Committee</td></tr><tr><td>Customer Service Committee</td><td>Stakeholders' Relationship Committee</td></tr><tr><td>Product Approval Committee</td><td>IT Strategy Committee</td></tr><tr><td>Committee of Executives for Monitoring and Follow-up of cases of Frauds</td><td>Environmental Social and Governance Committee</td></tr><tr><td>Securities Allotment Committee</td><td>Initial Public Offering Committee</td></tr></table>
Disclosure of Relationship with Directors and key managerial personnel of the Company *inter se*	NA
Companies (other than Aye Finance Limited) in which Mr. Sanjay Sharma holds directorship as on March 31, 2025	Foundation for Advancement of Micro Enterprises
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	NA

ANNEXURE-1 TO THE NOTICE (CONTD.)

Resignation details in the listed entities during the last 3 years	NA
Shareholding in Aye Finance Limited	55,45,630
Number of Board Meetings attended during the financial year	11
Details of remuneration	Please refer the Corporate Governance Report which forms part of the Integrated Annual Report.

AYE [आय]

Aye Finance Limited

7th Floor, Unitech Commercial Tower 2,
Sector 45, Gurugram - 122 003, Haryana