

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES
CIN: U85300HR2019NPL079587

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES** ("the Company"), which comprise the Balance Sheet as at March-31-2022, the Income and expenditure account for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as '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 ('Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31-2022 and its **Surplus** 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.

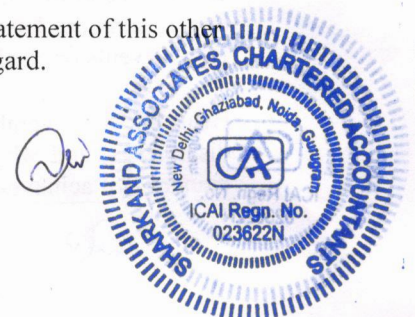
Information other than the financial statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and those charged with Governance 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, and financial performance, in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

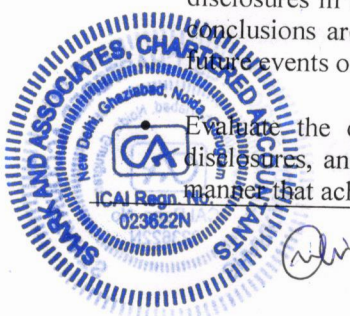
Auditor's Responsibilities for the Audit of the Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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, there 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 reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

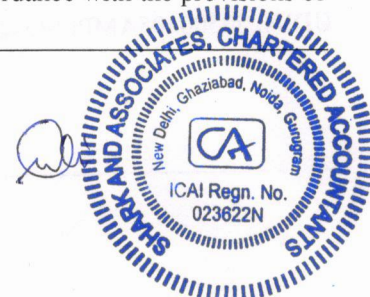
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Company is licensed to operate under Section 8 of the Companies Act, 2013 ('the Act') and hence falls under the exemption specified under paragraph 2(v) of Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 143(11) of the Act. Accordingly, the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), is not applicable to the Company.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Income and Expenditure account dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March-31-2022 taken on record by the Board of Directors, none of the directors is disqualified as on March-31-2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide Notification No. G.S.R. 583(E) dated June 13, 2017;
- (g) The Company being a private limited company, 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 respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable;



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

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March-31-2022.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March-31-2022.
- 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. No dividend has been declared or paid during the year by the Company.

For SHARK & ASSOCIATES

Chartered Accountants

Firm Registration Number 0 2 3 6 2 2 N



Tilak Raj, FCA, IP

Partner

Membership No. 5 0 0 4 0 5

Place: New Delhi

Date: June-30-2022

UDIN: 22500405AMPLSQ2245



FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

CIN: U85300HR2019NPL079587

Balance Sheet as at March-31-2022

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No	As at	As at
		March-31-2022	March-31-2021
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds:			
(a) Share capital	3	25.00	25.00
(b) Reserves and surplus	4	31.34	7.02
(2) Current liabilities:			
(a) Trade payables			
(i) total outstanding dues of micro-enterprises and small enterprises; and	5	-	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises.		2.11	1.72
(b) Other current liabilities	6	3.11	2.82
Total		61.56	36.56
II. ASSETS			
(1) Non-current assets			
(a) Deferred tax assets (net)		-	0.19
(b) Other non-current assets	7	0.04	0.04
(2) Current assets			
(a) Cash and cash equivalents	8	58.18	33.07
(b) Short-term loans and advances	9	3.34	3.26
(c) Other current assets	10	0.003	0.003
Total		61.56	36.56

As per our audit report of even date annexed.

The notes 1 to 24 form an integral part of the financial statements.

for SHARK & ASSOCIATES


Chartered Accountants

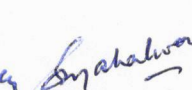
Firm's Registration No. 023622N


for Foundation for Advancement of Micro Enterprises


Tilak Raj, FCA, IP
Partner
Membership No. 500405




Brij Mohan
(Chairman)
DIN: 00667210


Shailendra Mahalwar
(Director)
DIN: 02722341


Sanjay Sharma
(Director)
DIN: 03337545

Date: June-30-2022

Place: New Delhi

UDIN: 22500405A7PLSQ 2245

Date: June-30-2022

Place: Gurugram, Haryana

FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

CIN: U85300HR2019NPL079587

Income and expenditure account for the year ended on March-31-2022

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No	For the year ended	For the year ended
		March-31-2022	March-31-2021
I. Revenue from operations	11	100.00	40.95
II. Other income	12	0.004	0.58
III. Total income(I+II)		100.004	41.53
IV. Expenses:			
Program expenses	13	71.64	32.10
Other expenses	14	3.86	1.33
Total expenses (IV)		75.51	33.43
V. Surplus before exceptional and extraordinary items and tax (III-IV)		24.50	8.10
VI. Exceptional items		-	-
VII. Surplus before extraordinary items and tax (V-VI)		24.50	8.10
VIII. Extraordinary items		-	-
IX. Surplus before tax (VII - VIII)		24.50	8.10
X. Tax expense:			
(1) Current tax		-	1.97
(2) Deferred tax		0.19	0.04
(3) Tax for earlier years		(0.01)	0.08
XI. Surplus for the period (IX-X)		24.32	6.00
XII. Earnings per equity share:	15		
(1) Basic (Face value per share: INR 10)		9.73	2.40
(2) Diluted (Face value per share: INR 10)		9.73	2.40

As per our audit report of even date annexed.

The notes 1 to 24 form an integral part of the financial statements.

for SHARK & ASSOCIATES

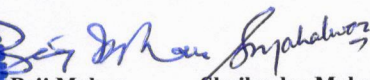
Chartered Accountants

Firm's Registration No. 0 2 3 6 2 2 N

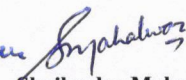
for Foundation for Advancement of Micro Enterprises



Tilak Raj, FCA, IP
Partner
Membership No. 5 0 0 4 0 5

Brij Mohan
(Chairman)
DIN: 00667210



Shailendra Mahalwar
(Director)
DIN: 02722341



Sanjay Sharma
(Director)
DIN: 03337545

Date: June-30-2022

Place: New Delhi

UDIN: 22500405AMP/LS/2245

Date: June-30-2022

Place: Gurugram, Haryana

FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

Notes to the financial statements for the year ended March-31-2022

(All amounts are in Rupees Lakhs, unless otherwise stated)

	As at March-31-2022	As at March-31-2021
3 Share capital		
Authorised Share Capital		
Equity Share Capital		
10,00,000 equity Shares of Rs.10/- each	100.00	100.00
Issued, Subscribed & Paid-up Share Capital		
Equity Share Capital		
2,50,000 equity Shares of Rs.10/- each	25.00	25.00
Total Issued, Subscribed & Paid-up Capital	25.00	25.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

	As at March-31-2022		As at March-31-2021	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance of Shares at the beginning of year	2,50,000.00	25,00,000.00	2,50,000.00	25,00,000.00
Add:- Addition during the year	-	-	-	-
Balance of Shares at the end of the year	2,50,000.00	25,00,000.00	2,50,000.00	25,00,000.00

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. Being a company registered under Section 8 of the Companies Act, 2013, no portion of the profits shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time are, or have been, members of the Company or to any one or more of them or to any persons claiming through any one or more of them.

In the event of winding up or dissolution of the Company, there remains, after the satisfaction of its debts and liabilities, any asset, they may be transferred to another company registered under this section and having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to Insolvency and Bankruptcy Fund formed under section 224 of the Insolvency and Bankruptcy Code, 2016.

(c) Details of shareholder holding more than 5% shares in the company:

Equity Shares of Rs.10 each fully paid up	As at March-31-2022		As at March-31-2021	
	No. of shares	% of Holding	No. of shares	% of Holding
AYE Finance Private Limited	2,49,999.00	99.9996%	2,49,999.00	99.9996%
	2,49,999.00	99.9996%	2,49,999.00	99.9996%

(d) Details of shareholding of Promoter of the company:

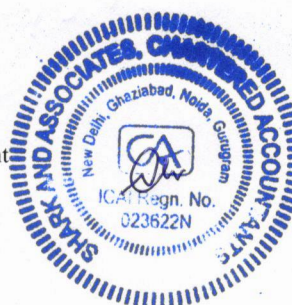
Equity Shares of Rs.10 each	As at March-31-2022			As at March-31-2021		
	No. of shares	% of Holding	% change during the	No. of shares	% of Holding	% change during the year
AYE Finance Private Limited	2,49,999.00	99.9996%	-	2,49,999.00	99.9996%	-
Shailendra Mahalwar	1.00	0.0004%	-	1.00	0.0004%	-
	2,50,000.00	100.00%	-	2,49,999.00	100.00%	-

4 Reserves and surplus

General Fund:

Opening balance
Add: Amount transferred from Income and expenditure account
Closing balance

	As at March-31-2022	As at March-31-2021
	7.02	1.02
	24.32	5.99
	31.34	7.02



FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES
Notes to the financial statements for the year ended March-31-2022
(All amounts are in Rupees Lakhs, unless otherwise stated)

5 Trade payables (Refer Note No. 20)

	As at March-31-2022	As at March-31-2021
Total outstanding dues of micro-enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro-enterprises and small enterprises.	2.11	1.72
	2.11	1.72

Trade payables aging schedule

S.No.	Particulars	Outstanding for following periods from due date of payment, if due date not specified from date of transaction.				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues against which bill has been received						
(i)	MSME	-	-	-	-	-
(ii)	Others	-	-	-	-	-
(iii)	Disputed Dues-MSME	-	-	-	-	-
(iv)	Disputed Dues- Others	-	-	-	-	-
Dues against which bill has not been received						
(i)	MSME	-	-	-	-	-
(ii)	Others	2.11	-	-	-	2.11
		2.11	-	-	-	2.11

6 Other current liabilities

	As at March-31-2022	As at March-31-2021
Statutory dues payable (Refer Note No. 23)	1.72	0.61
Other payables	1.40	2.21
	3.11	2.82

7 Other non-current assets

	As at March-31-2022	As at March-31-2021
TDS recoverable	0.04	0.04
	0.04	0.04

8 Cash and cash equivalents

	As at March-31-2022	As at March-31-2021
<i>Cash and cash equivalents:</i>		
Balance with banks:		
- Current accounts	58.11	32.84
Cash on hand	-	-
Deposits with bank with original maturity of less than 3 months	-	-
	58.11	32.84
<i>Other bank balances:</i>		
Deposits with banks maturing within 12 months	0.07	0.23
	0.07	0.23
	58.18	33.07

9 Short-term loans and advances

	As at March-31-2022	As at March-31-2021
<i>Other than related parties:</i>		
Advance to suppliers	0.01	0.01
Advance to employees	2.66	0.20
Other advances	0.67	3.05
	3.34	3.26

10 Other current assets

	As at March-31-2022	As at March-31-2021
Interest accrued on fixed deposits	0.003	0.003
	0.003	0.003

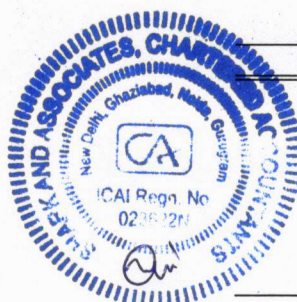


FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

Notes to the financial statements for the year ended March-31-2022

(All amounts are in Rupees Lakhs, unless otherwise stated)

	For the year ended March-31-2022	For the year ended March-31-2021
11 Revenue from operations		
Grants or donations received	100.00	40.95
	100.00	40.95
12 Other Income		
Interest on fixed deposits	0.004	0.58
	0.004	0.58
13 Program expenses (Refer Note No. 22)		
<i>Dairy program expenses:</i>		
Direct expenses incurred for program	35.71	7.67
Direct salary expense	21.87	-
<i>Footwear program expenses:</i>		
Direct expenses incurred for program	2.42	5.73
Direct salary expense	4.37	-
<i>Sports program expenses:</i>		
Direct expenses incurred for program	2.14	6.17
Direct salary expense	1.46	-
<i>Kirana program expenses:</i>		
Direct expenses incurred for program	1.04	5.73
Direct salary expense	1.46	-
<i>Volunteer expenses:</i>		
Direct expenses incurred for program	1.17	6.79
	71.64	32.10
14 Other expenses		
Bank charges	0.00	0.11
Audit fees	0.59	0.59
ROC filing fees	0.04	0.02
Directors' sitting fees	2.83	0.47
Interest on late deposit of TDS/Income Tax	0.36	0.14
Miscellaneous expenses	0.03	-
	3.86	1.33
* Statutory auditor's remunerations		
- Statutory audit fee	0.59	0.59
- Other services	0.34	-
	0.93	0.59
15 Earnings per equity share		
Surplus as per Income and expenditure account	24.32	6.00
Number/Weighted Average number of equity shares outstanding at the end of the year	2.50	2.50
Nominal value of equity shares (in Rs.)	10	10
Basic/Diluted Earnings per equity share (In Rs.)	9.73	2.40



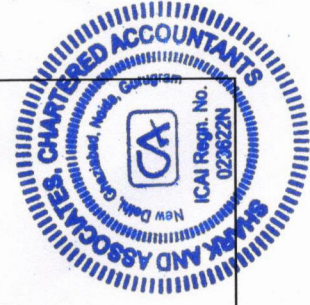
FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

Notes to the financial statements for the year ended March-31-2022

(All amounts are in Rupees Lakhs, unless otherwise stated)

16 Ratio analysis

S.No.	Name of the Ratio	March-31-2022			March-31-2021			Difference in the ratio	Explanations for difference of more than 25%
		Numerator Amount	Denominator Amount	Ratio	Numerator Amount	Denominator Amount	Ratio		
1	Current Ratio (Current Assets/ Current Liabilities)	61.52	5.22	11.78	36.33	4.54	8.00	47.33%	
2	Debt-Equity Ratio (Loan funds/ Shareholders' funds)	-	56.34	-	-	32.02	-	NA	
3	Debt Service Coverage Ratio [Earnings before interest, depreciation & amortisation but after tax / (Interest+Principle repayment)]	-	24.32	-	-	6.00	-	NA	
4	Return on Equity Ratio (Surplus after tax/ Shareholder's fund)	24.32	56.34	0.43	6.00	32.02	0.19	130.20%	
5	Inventory turnover ratio (Revenue from operations / Average inventory)	100.00	-	-	40.95	-	-	NA	This being a Section 8 not-for-profit Company, the ratio variance is not on account of commercial operations and merely on account of increase in donation/ grant received as compared to previous year.
6	Trade receivables turnover ratio (Revenue from operations /Average Accounts receivable)	100.00	-	-	40.95	-	-	NA	
7	Trade payables turnover ratio (Purchases /Average trade payables)	-	1.91	-	-	1.72	-	NA	
8	Net capital turnover ratio (Total Turnover/ Net assets)	100.00	56.34	1.78	41.53	32.02	1.30	36.86%	
9	Net profit ratio (Surplus after tax/ Total income)	24.32	100.00	24.32	6.00	41.53	14.46	68.20%	
10	Return on capital employed (Earnings before interest and tax/ Capital employed)	24.50	56.34	0.43	8.10	32.02	0.25	71.93%	
11	Return on investment (Earnings before tax/ shareholders' funds)	24.50	56.34	0.43	8.10	32.02	0.25	71.93%	



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FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES
Notes to the financial statements for the year ended March-31-2022
(All amounts are in Rupees Lakhs, unless otherwise stated)

17 Related Party Disclosures:

1) List of Related Parties and relationships

	Name of the Related Party	Relationship
a) enterprises that directly, or indirectly control, or are controlled by, or are under common control with, the reporting enterprise;	Aye Finance Private Limited	Holding company
b) associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;	Nil	-
c) individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;	Brij Monan Shailendra Mahalwar Sanjay Sharma	Director Director Director
d) Key Management Personnel and relatives of such personnel;	Brij Monan Shailendra Mahalwar Sanjay Sharma	Director Director Director
e) enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.	Nil	-

Related party relationships are as identified by the management of the Company and relied upon by the auditors.

2 Transactions during the year with related parties

a) Related party's transaction occurred during the year.

Nature of the Related Party Transaction	March-31-2022	March-31-2021
Aye-Finance Private Limited-Grants or donations received	100.00	40.95
Directors' sitting fees (Shailendra Mahalwar)	1.20	1.00
Directors' sitting fees (Brij Mohan)	1.20	1.00

b) At the end of the year balance with the Related Party is as follows:

Nature of Related Party Balance	March-31-2022	March-31-2021
Credit Balance in Current account	-	-

18 Contingent liabilities and capital commitments

- (i) Capital commitments
(ii) Claims against the Company not acknowledged as debt
(iii) There were no contingent liabilities and commitments which would impact the financial position of the company.

19 There are no reportable segment as per the Accounting Standards (As 17)-'Segment Reporting' specified under section 133 of the Companies Act 2013.

20 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of records maintained and information available with the Company.

21 Earnings and expenditures in foreign currency
Earnings or Expenditures

March-31-2022	March-31-2021
-	-

22 Expenses incurred by the Company directly for program/event as per the objects of the Company have been categorised as Program expenses as disclosed under Note No. 13. Further, expenses related to salaries, travelling, conveyance etc. which have been incurred directly for particular program have also been clubbed under the relevant Program expenses as directly allocable expense. Expenses which are common in nature or which cannot be directly allocated to particular program or event have been shown under other relevant heads.

23 The Company has Goods and Service Tax payable on sitting fees paid to directors as calculated on reverse charge basis. Total amount of liability on this account is Rs. 1.72 lakhs which includes Rs. 0.61 lakhs outstanding for more than one year. The Company is in the process of applying and obtaining GST Registration Number and such liability shall be deposited by the Company once the registration is granted.

24 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make them comparable.

For SHARK & ASSOCIATES

Chartered Accountants

Firm's Registration No. 023622N



Tilak Raj, FCA, IP

Partner

Membership No. 500405

Date: June-30-2022

Place: New Delhi

UDIN: 22500405AMPLSQ2245



Brij Mohan
(Chairman)
DIN: 00667210

Shailendra Mahalwar
(Director)
DIN: 02722341

Sanjay Sharma
(Director)
DIN: 03337545

for Foundation for Advancement of Micro Enterprises

Date: June-30-2022

Place: Gurugram, Haryana

FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

CIN: U85300HR2019NPL079587

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

1. Corporate Information and Background

“FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES” (‘the Company’ or ‘the Foundation’ or ‘FAME’), is a not-for-profit Section-8 licensed company incorporated on April-04-2019 (CIN: U85300HR2019NPL079587) in Haryana with the main objectives to act in the areas of social welfare, human empowerment, education, promote skill development, research orientation, health awareness primarily amongst unprivileged and backward public. The Company shall work towards promotion of sustainable technologies from India and the world that can help community, environment and do social good and to do all activities related to social work and to get donation & contribution for CSR Activities.

The Company has been granted registration under section 12AB of the Income Tax Act 1961 in the month of September 2021. The Company is registered with Ministry of Corporate Affairs as an Implementation Agency (‘IA’) in terms of its registration under Companies (Corporate Social Responsibility) Rules, 2014 (as amended from time to time).

2 (A). Significant accounting policies

a) Basis of preparation of financial statements

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

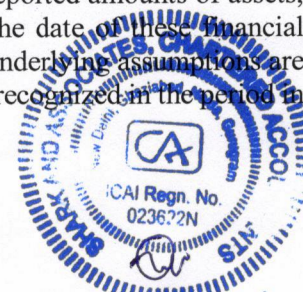
The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and following the Division 1 of Schedule III of the Companies Act, 2013 which lays down the format for preparation of the financial statements by the Companies that are required to comply with Companies (Accounting Standards), Rules, 2006, as amended from time to time. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as applicable to the Company under the provisions of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in preparation of financial statements are consistent with those of previous year unless otherwise stated specifically.

The Company is wholly owned subsidiary of Aye Finance Private Limited (a company incorporated under the provisions of Companies Act, 2013). Aye Finance Private Limited (‘the holding company’) is required to follow Division II of Schedule III of the Companies Act, 2013 and following the Companies (Indian Accounting Standards) Rules, 2015. However, Aye Finance Private Limited does not consolidate the financial statements of the Foundation for Advancement Micro Enterprises (‘FAME’) and therefore, financial statements of FAME have been prepared considering it as a company separate from its holding company and without taking adoption of accounting policies and presentation format of the holding company.

b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.



c) Current and non-current classification

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- (1) It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is expected to be realised within 12 months after the reporting date; or
- (4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- (1) It is expected to be settled in the company's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is due to be settled within 12 months after the reporting date; or
- (4) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Grants and donations for specific projects are recognised as income to the extent utilised during the year as per the terms of the sanction/ agreement. Unutilised amounts thereof are carried forward as liability and disclosed as 'Unutilised grants balance' under the head 'Other current liabilities'.

Unrestricted funds, grants and donations received for general purposes are recognised as income in the year of receipt.

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Grants and donations for specific projects are recognised as income to the extent utilised during the year as per the terms of agreement/sanction and unutilized amounts are carried forward as liability and disclosed as 'Unutilised grant balance' under other current liabilities until the expenditure is incurred. Donations raised for general purposes are recognized as income in the year of receipt.

Interest income is recognized on accrual basis when there is reasonable certainty of its ultimate realization/collection.



FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

CIN: U85300HR2019NPL079587

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

e) General funds

The Company receives general funds which are unrestricted from donors. The excess of income over expenditure during the year, being general purpose in nature is carried forward for use in the future periods.

f) Restricted funds

Restricted funds are utilised towards the specific purpose and relative expenditure is matched with such receipts. The excess of income over expenditure during the year is carried forward for utilisation in future periods towards for specific purpose of such restricted funds.

g) Employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the Statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company determines its liability towards gratuity benefit for its employees on each reporting date. The Company does not make provision in accounts respect of its gratuity liability but indicates the same as contingent liability in notes to the financial statements.

Leave encashment is paid and accounted on year-to-year basis.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with banks with original maturity of three months or less.

i) Earnings per share

Basic earnings per share is calculated by dividing the Surplus or Deficit as derived in the Income and expenditure account for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the Surplus or Deficit as derived in the Income and expenditure account for the year by the sum of weighted average number of equity shares considered for deriving the Basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

j) Taxes

The Company has license to operate as a Not-for-Profit organisation under Section 8 of the Companies Act, 2013. The Company is also registered Section 12AB of the Income Tax Act, 1961. Accordingly, subject to the provisions of Section 11 and 12 of the Income-tax Act, 1961, the Company is not liable to pay Income-tax under the provisions of Income Tax Act, 1961. Deferred tax asset or liability is also not ascertained since the Company is not conducting any commercial operations.



FOUNDATION FOR ADVANCEMENT OF MICRO ENTERPRISES

CIN: U85300HR2019NPL079587

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

k) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets' to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

l) Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. Contingent liabilities are also disclosed for present obligations in respect of which it is not probable that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2(B). Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

for SHARK & ASSOCIATES

Chartered Accountants

Firm's Registration No.023622N

Tilak Raj, FCA, IP

Partner

Membership No.500405

Date: June-20-2022

Place: New Delhi

UDIN: 22500405AMP L S Q 2245

for Foundation for Advancement of Micro Enterprises

Brij Mohan

(Chairman)

DIN:00667210

Shailendra Mahalwar

(Director)

DIN: 02722341

Sanjay Sharma

(Director)

DIN:03337545

Date: June-30-2022

Place:Gurugram,Haryana