

May 19, 2023

Aye Finance (P) Ltd.: Rating withdrawn

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|----------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| Non-convertible debentures | 65.00 | 0.00 | [ICRA]BBB+ (Positive); withdrawn |
| Total | 65.00 | 0.00 | |

*Instrument details are provided in Annexure I

Rationale

The rating of [ICRA]BBB+ (Positive) for Aye Finance (P) Ltd.'s Rs. 35-crore non-convertible debenture (NCD) programme (ISIN INE501X07125) stands withdrawn basis the receipt of no-objection certificates from all the security holders corresponding to the debt outstanding, besides the receipt of other documents as mentioned in ICRA's Policy on the Withdrawal of Credit Ratings and post the completion of the minimum tenor as specified in ICRA's policy.

The [ICRA]BBB+ (Positive) rating for the Rs. 30-crore NCD (ISIN INE501X07067) has also been withdrawn as the obligations have been fully repaid by the company with no amount outstanding against the same.

ICRA does not have information to suggest that the credit risk profile of the entity has changed since the time the rating was last reviewed. The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | ICRA Rating Methodology for Non-banking Finance Companies ICRA Policy on Withdrawal of Credit Ratings |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | The rating is based on the standalone financial profile of the company |

About the company

Aye Finance (P) Ltd. is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking non-banking financial company (ND-NBFC). It provides loans to micro-enterprises in semi-urban areas with an annual turnover of Rs. 10 lakh-1 crore. The company commenced operations in FY2014 and is promoted by Mr. Sanjay Sharma and Mr. Vikram Jetley, who have prior experience in retail lending. Aye Finance is backed by strong private equity (PE) investors – Capital G (Google Capital), Falcon Edge Capital, Elevation Capital, A91 Partners, LGT Impact, MAS Invest and others.

As on December 31, 2022, the company had operations in 20 states/Union Territories (Uttar Pradesh, Rajasthan, Haryana, Punjab, Uttarakhand, Delhi NCR, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, Himachal Pradesh, Bihar, Gujarat, Jharkhand, Chhattisgarh, Chandigarh, Jammu & Kashmir and West Bengal) through 397 branches. It reported a net profit of Rs. 30 crore on gross assets under management (AUM) of Rs. 2,204 crore in 9M FY2023 vis-à-vis a net loss of Rs. 46 crore on gross AUM of Rs. 1,728 crore in FY2022.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2024) | | | Chronology of Rating History for the Past 3 Years | | | | |
|---|----------------------------|-------------------------|--------------------|--------------------------------|---|----------------------------------|----------------------------------|--------------------------------|----------------------------------|
| | | | | | Date & Rating in FY2023 | | Date & Rating in FY2022 | Date & Rating in FY2021 | |
| | | Type | Amount (Rs. crore) | Amount outstanding (Rs. crore) | May-19-2023 | Mar-15-2023 | Jan-27-2023 | Jan-28-2022 | Jan-29-2021 |
| 1 | Non-convertible debentures | Long term | 65.00 | 26.25 | [ICRA]BBB+ (Positive); withdrawn | [ICRA]BBB+ (Positive) | [ICRA]BBB+ (Positive) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) |
| 2 | Non-convertible debentures | Long term | - | - | - | [ICRA]BBB+ (Positive); withdrawn | [ICRA]BBB+ (Positive) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) |
| 3 | Non-convertible debentures | Long term | - | - | - | - | [ICRA]BBB+ (Positive); withdrawn | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) |
| 4 | Term loans | Long term | - | - | - | - | - | [ICRA]BBB+ (Stable); withdrawn | [ICRA]BBB+ (Stable) |
| 5 | Non-convertible debentures | Long term | - | - | - | - | - | - | [ICRA]A (CE) (Stable); withdrawn |
| 6 | Non-convertible debentures | Long term | - | - | - | - | - | - | [ICRA] BBB+ (Stable); withdrawn |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|----------------------------|----------------------|
| Non-convertible debentures | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|-----------------|-----------------------------|-------------|---------------|--------------------------|-----------------------------------|
| INE501X07125 | NCD | Jun-26-2019 | 13.00% | Jun-26-2025 | 35.00 | [ICRA]BBB+ (Positive); withdrawn |
| INE501X07067 | NCD | Mar-22-2018 | 12.59% | Mar-28-2023 | 30.00 | [ICRA]BBB+ (Positive) ; withdrawn |

Annexure II: List of entities considered for consolidated analysis: Not applicable

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