

September 12, 2023

## Aye Finance (P) Ltd.: Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Market linked non-convertible debenture	50.00	0.00	PP-MLD [ICRA]AA(CE) (Stable); withdrawn

**Rating Without Explicit Credit Enhancement**

**[ICRA]BBB+**

\*Instrument details are provided in Annexure-I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

### Rationale

The rating assigned to the PP-MLD of Aye Finance (P) Ltd. has been withdrawn at the request of the company as there is no amount outstanding against the rated PP-MLD (Trust name: Newton Trust 2021) and in accordance with ICRA's policy on withdrawal of credit rating. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy on withdrawal of credit ratings</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the company

Aye Finance (P) Ltd. is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking nonbanking 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.

**Key financial indicators (audited)**

Aye Finance (P) Ltd.	FY2021	FY2022	FY2023
Accounting as per	IndAS	IndAS	IndAS
PAT	17	(46)	54
Net worth	747	706	769
AUM	1,569	1,728	2,721
Gross NPAs	3.3%	3.29%	2.49%
Net NPAs	0.8%	1.4%	1.3%
Capital adequacy ratio	41%	36%	31%

Source: Company, ICRA Research  
Amount in Rs. crore

**Status of non-cooperation with previous CRA: Not applicable**
**Any other information: None**
**Rating history for last three years**

Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				Date & Rating in FY2021
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
				Sept 12, 2023	Sept 13, 2022	Sept 14, 2021	Aug 25, 2021	
1 Market Linked Non-convertible debenture	Long Term	50.00	0.00	PP-MLD [ICRA]AA(CE) (Stable); withdrawn	PP-MLD [ICRA]AA(CE) (Stable)	PP-MLD [ICRA]AA(CE) (Stable)	Provisional PP-MLD [ICRA]AA(CE) (Stable)	--

**Complexity level of the rated instrument**

Trust Name	Instrument	Complexity Indicator
Newton Trust 2021	Market Linked Non-convertible debenture	Complex

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 analyzing 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
<b>INE501X07240</b>	Market Linked Non-convertible debenture	Sep 2021	9.25%*	Sep 2023	50.00	PP-MLD [ICRA]AA(CE) (Stable); withdrawn

\* Per annum; Additionally, step-up interest of 4.00% applicable from date of issuance in case of trigger event

Source: Company

**Annexure-II: List of entities considered for consolidated analysis**

Not Applicable

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### Branches



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