

No.: 1

Addressed to: Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF (AfrAsia Sub-fund) represented by BlueOrchard Invest S.à r.l

PLACEMENT MEMORANDUM / PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

AYE [आय]

AYE FINANCE PRIVATE LIMITED (“Issner” / “Company”)

A private limited company incorporated under the Companies Act, 1956

Placement Memorandum for issue of Debentures on a private placement basis

Dated: July 20, 2022

Issue of 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregate nominal value of Rs. 31,00,00,000/- (Rupees Thirty One Crore) on a private placement basis (the “Issue”).



PART A: DISCLOSURES AS PER SEBI DEBT LISTING REGULATIONS:

*** Please refer pages 1-4 for all information required to be placed on the front page of a placement memorandum as per Schedule II of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.*

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations (as defined below):

S.no	Particulars	Relevant Disclosure
1.	Corporate Identity Number of the Issner:	U65921DL1993PTC283660
2.	Permanent Account Number of the Issner:	AABCD8717B
3.	Date and place of Incorporation of the Issuer:	Date of incorporation: August 12, 1993 Place of incorporation: Moga, Punjab, India
4.	Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case the RBI):	B-14.03323
5.	Registered Office address of the Issner:	M-5, Magnum House-I, Mezzanine Floor, Community Centre Karampura, Opp. Milan Cinema, New Delhi - 110015
6.	Corporate Office address of the Issuer:	Unit No. -701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Block B, Greenwood City, Gurgaon Haryana, 122003
7.	Telephone No of the Issuer:	0124-4844000

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8.	Details of Compliance officer of the Issuer:	Name: Ms. Tripti Pandey Telephone Number: 0124-4844000 Email address: finance@ayefin.com
9.	Details of Company Secretary of the Issuer:	Name: Ms. Tripti Pandey Telephone Number: 0124-4844000 Email address: finance@ayefin.com
10.	Details of Chief Financial Officer of the Issuer:	Name: Mr. Mayank Shyam Thatte Telephone Number: 0124-4844000 Email address: mayank.thatte@ayefin.com
11.	Details of Promoters of the Issuer:	Name: N.A. Telephone Number: N.A. Email address: N.A.
12.	Website address of the Issuer:	https://ayefin.com/
13.	Email address of the Issuer:	finance@ayefin.com
14.	Details of debenture trustee for the Issue:	Name: Catalyst Trusteeship Ltd. Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai  Logo: Telephone Number: 022-49220502 Email address: umesh.salvi@ctltrustee.com Contact person: Mr. Umesh Salvi
15.	Details of credit rating agency for the Issue:	Name: India Ratings and Research Private Limited Address: Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051  Logo: A Fitch Group Company Telephone Number: 022-40001700 Email address: jinay.gala@indiaratings.co.in Contact person: Jinay P Gala
16.	Date of placement memorandum / Placement Memorandum	July 20, 2022
17.	Type of placement memorandum / Placement Memorandum	This Placement Memorandum is being issued in relation to the private placement basis of Debentures (which are being issued under the terms hereof in a single series).
18.	The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	Issue of 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregate nominal value of Rs. 31,00,00,000/- (Rupees Thirty One Crore) on a private placement basis.

		Green Shoe: N.A
19.	The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum;	Not applicable.
20.	Details of Registrar to the Issue:	Name: KFin Technologies Private Limited Address: Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana K F I N T E C H Logo: Telephone Number: +91- 040 – 67162222 Fax number: 040-23420814 Website: www.kfintech.com Email address: unlservices@kfintech.com
21.	Issue Schedule	Date of opening of the Issue: July 28, 2022 Date of closing of the Issue: July 28, 2022 Date of earliest closing of the Issue (if any): N.A. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.
22.	Credit Rating of the Issue	The Rating Agency has vide its letter and rating rationale dated July 7, 2022 assigned a rating of “IND A-” (pronounced as “IND A minus”) in respect of the Debentures. Please refer to Annexure II of this Placement Memorandum for the letter dated July 7, 2022 and rating rationale dated July 7, 2022 from the Rating Agency assigning the credit rating abovementioned and the press release by the Rating Agency in this respect.
23.	All the ratings obtained for the private placement of Issue	Please refer to S.no 22 (<i>Credit Rating of the Issue</i>) above. No other ratings have been obtained for the purposes of this Issue.
24.	The name(s) of the stock exchanges where the securities are proposed to be listed	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange (“BSE”).
25.	The details about eligible investors;	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (“ <i>Eligible Investors</i> ”).

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		<p>(a) Mutual Funds (b) NBFCs (c) Provident Funds and Pension Funds (d) Corporates (e) Banks (f) Foreign Institutional Investors (FIIs) (g) Qualified Foreign Investors (QFIs) (h) Foreign Portfolio Investors (FPIs) (i) Insurance Companies (j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.</p> <p>All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.</p> <p>Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
26.	Coupon rate, coupon payment frequency, redemption date, redemption amount and details of debenture trustee	<p>In respect of the coupon rate, the coupon payment frequency, the redemption date and redemption amount in respect of the Debentures, please refer to Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.</p> <p>The details of Debenture Trustee are provided under S. No 14 above.</p>
27.	Nature and issue size, base issue and green shoe option, if any, shelf or trauche size, each as may be applicable	<p>Issue of 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregate nominal value of Rs. 31,00,00,000/- (Rupees Thirty One Crore) on a private placement basis.</p> <p>Green Shoe: N.A</p>
28.	Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:	<p>Not applicable.</p>
29.	Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.	<p>Not applicable</p>

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30.	Specific declaration requested by BSE: non-equity regulatory capital	This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI ILNCS Regulations. The face value of each Debenture is INR 10,00,000 (Indian Rupees Ten Lakh).
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Background
This Placement Memorandum (as defined below) is related to the Debentures to be issued by Aye Finance Private Limited (the “ Issuer ” or “ Company ”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on October 12, 2021 and the Board of Directors of the Issuer on May 26, 2022, and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated October 12, 2021 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 2500,00,00,000 (Indian Rupees Two Thousand Five Hundred Crore). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Issuer’s Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Issue Schedule	
Particulars	Date
Issue Opening Date	July 28, 2022
Issue Closing Date	July 28, 2022
Pay In Date	July 28, 2022
Deemed Date of Allotment	July 28, 2022

For AYE FINANCE PVT. LTD.

Authorized Signatory

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For AYE FINANCE PVT. LTD.

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes IND AS.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as Annexure IV .
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Applicable Accounting Standards
Beneficial Owner(s)	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	means the BSE Limited.
Business Day	means any day, other than a Saturday, Sunday or any day which is a public holiday, on which the commercial banks are open for business in Mumbai, India and New York, United States of America and “ Business Days ” shall be construed accordingly. For the purpose of this definition, in respect of: (a) <u>Announcement of issue period</u> : Business Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. (b) <u>The time period between the Issue Closing Date and the listing of the Debentures on the BSE</u> : Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the SEBI.
Call Option	means the option(s) available to the Issuer to redeem the Debentures, in full or in part held by the Debenture Holder(s) in terms of and subject to the provisions of Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Capital Adequacy Ratio	means the ratio as defined by the Reserve Bank of India from time to time as applicable for non-banking financial companies.
CDSL	Central Depository Services (India) Limited.
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.

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Charge-Offs	for a period means the cumulative total amount of defaulted Client Loans that have been deleted from the Issuer's balance sheet and expensed / written-off against the Loan Loss Reserve.
Client Loan	means each loan made by the Issuer as a lender and "Client Loans" shall refer to the aggregate of such loans.
Company/Issuer	Aye Finance Private Limited, a private limited company incorporated under the Companies Act, 1956 having corporate identification number U65921DL1993PTC283660 and registered as a non-banking financial company with the Reserve Bank of India, having its registered office at M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi - 110015, India and acting through its office at Unit No. -701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Block B, Greenwood City, Gurgaon Haryana, 122003, India.
Conditions Precedent	means the conditions precedent set out under the heading in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Conditions Subsequent	means the conditions subsequent set out in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Corruption	means the promise, offering or giving to, and/or the solicitation or acceptance by, any person, directly or indirectly, of anything of value, in order improperly to induce any person to take action or refrain from action in connection with any business or public function and includes, <i>inter alia</i> , any act that would constitute a violation of the UK Bribery Act 2010 ("UK Act"), if performed by a person subject to the jurisdiction of the UK Act, or a violation of any other anti-corruption law of any jurisdiction that is applicable to the Issuer.
Coupon	means the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate.
Coupon Payment Date	mean the date(s) as specified in Schedule VI of this Placement Memorandum.
Coupon Rate	means 11.1569% (eleven decimal one five six nine percent) per annum, net of withholding taxes, payable semi-annually until the Coupon Reset Date. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate shall, in the absence of an agreement on the Coupon Rate between the Debenture Holder(s) and the Issuer, continue to be 11.1569% (eleven decimal one five six nine percent), net of withholding taxes. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent).
Coupon Reset Date	means July 28, 2025 being the date falling on the completion of 36 (thirty six) months from the Deemed Date of Allotment;
Crore	means ten million
Debentures/NCDs	310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregate nominal value of Rs. 31,00,00,000/- (Rupees Thirty One Crore).
Debenture Holders / Investors	means each who fulfils the following requirements: (a) Persons who are registered as Beneficial Owners; and (b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s), (and shall include registered transferees of the Debentures)

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	from time to time with the Issuer and the Depository) and in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.
Debenture Trustee	Catalyst Trusteeship Limited.
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	shall have the meaning assigned to such term in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Deemed Date of Allotment	July 28, 2022
Default Interest	shall have the meaning assigned to such term in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	means NSDL and CDSL
Depository	means a Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Date	means any date on which the holders of the Debentures are entitled to any payments whether on maturity (or upon exercise of the option to redeem the Debentures) or otherwise prior to the scheduled Redemption Date or upon acceleration.
EFT	Electronic Fund Transfer
EHS Guidelines	shall mean the World Bank Group Environmental, Health, and Safety Guidelines available at: https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/EHS-Guidelines
Eligible Investors	shall have the meaning specified in s.no 25 of Part A (<i>Disclosures</i>) above.
Equity	means the total equity of the Issuer, including shareholder's equity, reserves, retained earnings or losses and current year cumulated net income or loss.
Event of Default	means the events of default set out in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Exclusion List	means the list of prohibited activities set out in the DTD.
Exercise Date	means July 28, 2025 being the date falling on the completion of 36 (thirty six) months from the Deemed Date of Allotment.
Exercise Period	means the period that commences on the date occurring 3 (three) Business Days prior to the Exercise Date and expires on the Exercise

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	Date.
Final Settlement Date	shall mean the date on which the Payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Issuer in full in accordance with the terms of the Transaction Documents.
Financial Indebtedness	means any indebtedness for or in respect of: <ul style="list-style-type: none"> (a) monies borrowed; (b) any amount availed of by acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; (j) any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s); (k) any preference shares (excluding any compulsorily convertible preference shares); or (l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
Foreign Currency	means a currency other than Indian Rupees.
Foreign-Currency Asset	means any asset of the Issuer consisting of a loan, deposit, claim or other asset that by its terms is payable in Foreign Currency.
Foreign-Currency Liability	means any liability of the Issuer consisting of a loan, deposit, claim or other liability that by its terms is payable in Foreign Currency; provided that a loan payable in Foreign Currency that is indexed to the domestic currency of the Issuer or that is hedged against exchange rate fluctuations with the domestic currency of the Issuer shall not be considered a Foreign-Currency Liability. A loan payable in Foreign Currency that is hedged through back-to-back arrangements will be considered a Foreign-Currency Liability.

Gender-Based Violence Convention	shall mean the International Labor Organisation's Core Labour Convention 190 (Violence and Harassment).
Governmental Authority	shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Hypothecated Property	shall have the meaning assigned to such term in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
IFC Performance Standards	shall mean the International Finance Corporation's Environmental and Social Performance Standards, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/performance-standards .
IFC Performance Standards 1	shall mean the International Finance Corporation's Performance Standard 1, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps1 .
IFC Performance Standards 2	shall mean the International Finance Corporation's Performance Standard 2, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps2 .
ILO Fundamental Conventions	shall mean the International Labour Organisation Fundamental Conventions being (available at: https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm): (a) <u>Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)</u> (b) <u>Right to Organise and Collective Bargaining Convention, 1949 (No. 98)</u> (c) <u>Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol)</u> (d) <u>Abolition of Forced Labour Convention, 1957 (No. 105)</u> (e) <u>Minimum Age Convention, 1973 (No. 138)</u> (f) <u>Worst Forms of Child Labour Convention, 1999 (No. 182)</u> (g) <u>Equal Remuneration Convention, 1951 (No. 100)</u> (h) <u>Discrimination (Employment and Occupation) Convention, 1958 (No. 111).</u>
Increased Costs	shall include any fees or costs incurred by the Debenture Holder(s) to enable subscription to this Issue, including but not limited to, all such costs arising out of the termination or liquidation of any swaps or hedging arrangements entered into by the Debenture Holder(s) to

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	enable subscription to this Issue.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Issuer.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	means the private placement of the Debentures.
Issue Closing Date	July 28, 2022
Issue Opening Date	July 28, 2022
Liability / Liabilities	means, for any date of determination, the liabilities of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Listed NCDs Operational Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on " <i>Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i> ", as amended, modified, or restated from time to time.
Loan Loss Reserves	means the portion of the Issuer's portfolio of Client Loans that has been expensed (provisioned for) in anticipation of losses due to default
Local Currency	means the lawful currency of India.
LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Majority Debenture Holders	means the Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 100% (One Hundred Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date/Redemption Date	means July 28, 2027, being 60 (sixty) months from the Deemed Date of Allotment, subject to a Put Option or Call Option, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Monthly Hypothecated Property Report	has the meaning given to it in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
NBFC	Non-banking financial company
NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016

	and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable read with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on " <i>Implementation of Indian Accounting Standards</i> ".
NCD Issuance Directions	<p>means, collectively, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019 read together with:</p> <p>(a) the RBI's circular no. A.P. (DIR Series) Circular No. 31 dated June 15, 2018 on "<i>Investment by Foreign Portfolio Investors (FPI) in Debt - Review</i>", the RBI's circular no. A.P. (DIR Series) Circular No. 19 dated February 15, 2019 on "<i>Investment by Foreign Portfolio Investors (FPI) in Debt</i>", and the RBI's circular no. A.P. (DIR Series) Circular No. 18 dated January 23, 2020 on "<i>Investment by Foreign Portfolio Investors (FPI) in Debt</i>";</p> <p>(b) SEBI's circular no. IMD/FPIC/CIR/P/2018/101 dated June 15, 2018 on "<i>Review of Investment by Foreign Portfolio Investors (FPI) in Debt</i>" and the SEBI's circular no. IMD/FPIC/CIR/P/2019/37 dated March 12, 2019 on "<i>Review of Investment by Foreign Portfolio Investors (FPI) in Debt Securities</i>"; and</p> <p>(c) the RBI's circular no. A.P. (DIR Series) Circular No. 21 dated March 1, 2019 on "<i>Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt</i>", the RBI's circular no. A.P. (DIR Series) Circular No. 34 dated May 24, 2019 on "<i>Voluntary Retention Route (VRR) for Foreign Portfolio Investors (FPIs) investment in debt</i>", the RBI's circular no. A.P. (DIR Series) Circular No. 19 dated January 23, 2020 on "<i>Voluntary Retention Route (VRR) for Foreign Portfolio Investors (FPIs) investment in debt - relaxations</i>", and the RBI's circular no. A.P. (DIR Series) Circular No. 22 dated February 10, 2022 on "<i>Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt</i>".</p>
Net Charge-Offs	shall mean total Charge-Offs net of recoveries of previously charged-off loans, over the preceding 12 (Twelve) months from the Deemed Date of Allotment
Net Income	shall mean, for any particular period and with respect to the Issuer, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).
N.A.	Not Applicable
NSDL	National Securities Depository Limited
Outstanding Gross Loan Portfolio	means the outstanding principal balance of all of the Issuer's outstanding Client Loans including current, delinquent and restructured Client Loans, but not including Charge-Offs. It does not include interest receivables and accrued interest
Outstanding Principal Amount	means, at any date, the principal amount outstanding under the Debentures.

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PAN	Permanent Account Number
Payments	means all payments, including any partial payment, to be made by the Issuer in relation to the Issue including without limitation, payment of Coupon, Outstanding Principal Amount, Default Interest, remuneration of the Debenture Trustee, and all fees, costs, charges, expenses and other monies.
Payment Default	means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under paragraph (i) under the section named "Events of Default" under Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Person	shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.
Placement Memorandum/Offer Document	means this placement memorandum issued by the Issuer for the issue of the Debentures on a private placement basis in accordance with Applicable Laws.
Portfolio at Risk	shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than a specified number of days.
Principal Payment Date(s)	means the payment dates as specified in Annexure VI of this Placement Memorandum.
Private Placement Offer cum Application Letter/PPOA	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Purpose	means for raising debt for enabling the Issuer to continue operations and address the impact of COVID-19 pandemic on the Issuer's operations and portfolio and to enable the Issuer to provide access to liquidity for its micro, small and medium enterprise (MSME) clients.
Put Option	means the option available to each Debenture Holder to require the Issuer to redeem the Debentures, in full or in part, held by the Debenture Holder in terms of and subject to the provisions of Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Rating Agency	means India Ratings and Research Private Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its registered office at Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.
RBI	Reserve Bank of India.
Record Date	mean the date being 15 (Fifteen) calendar days prior to the due date on which any Payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.

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REF / Recovery Expense Fund	means the recovery expense fund created/to be created by the Issuer with the BSE.
Register of Debenture Holders	The register maintained by the Issuer containing the name of Debenture holders entitled to receive Coupon/ Redemption Amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Issuer.
Restructured Loans	means the total amount of Client Loans for which the initial repayment schedule has been modified in favour of the Issuer's client, either through modifications of the prior loan contract or through a new loan contract.
Return on Assets	for any period means the Issuer's Net Income divided by its average Assets over that same period.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
Safeguarding Violation	shall mean any action or series of actions, undertaken by the Issuer that: (a) involves any work or service which is exacted from any person under the menace of any penalty and for which that person has not offered themselves voluntarily, or that otherwise contravenes the requirements of the ILO Conventions ; (b) contravenes the requirements of the Gender-Based Violence Convention, or that otherwise involves the exploitation, abuse or harassment (being any form of unwanted verbal, non-verbal or physical conduct, whether by force or under unequal or coercive conditions) of any person that is directed at such person because of their perceived or real sex or gender, or that disproportionately affects people of a particular sex or gender; or (c) involves the exploitation or abuse of a child.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Defaults (Procedure) Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on " <i>Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities</i> " issued by SEBI.
SEBI DLT Monitoring Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2022/3 dated March 29, 2022 on " <i>Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)</i> ".
SEBI Due Diligence Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on " <i>Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)</i> ".
SEBI ILNCS Regulations/ SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 together with the Listed NCDs Operational Circular, as amended from time to time.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the Listed NCDs Operational Circular

SEBI Monitoring Circular	means the SEBI's circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23 dated November 12, 2020 on " <i>Monitoring and Disclosures by Debenture Trustee(s)</i> "
SEBI REF Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on " <i>Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"</i> " issued by SEBI.
Secured Obligations	Shall mean the redemption of the principal amounts, Coupon, the remuneration of the Debenture Trustee, and all costs, charges, expenses and other monies payable by the Issuer in respect of the Debentures.
Security	has the meaning given to it in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Security Cover	has the meaning given to it in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.
Special Resolution	means: (a) a resolution passed at a meeting of the Debenture Holders duly convened and held in accordance with the Debenture Trust Deed; or (b) written instructions given by the Majority Debenture Holders.
TDS	Tax Deducted at Source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Tier I Capital	shall have the meaning assigned to such term in the applicable RBI regulations.
Total Assets	means, for any date of determination, the total Assets of the Issuer on such date.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 7 of this Placement Memorandum.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

THE AVE FINANCE PVT. LTD.
Authorized Signatory

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application

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Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial

and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi, India. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: RISK FACTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3. GENERAL RISKS

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

- (a) Repayment is subject to the credit risk of the Issuer.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

- (b) The secondary market for non-convertible securities may be illiquid.

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

- (c) Credit Risk & Rating Downgrade Risk

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

- (d) Changes in interest rates may affect the price of Debentures.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(e) Tax Considerations and Legal Considerations:

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(f) Accounting Considerations:

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(g) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.2 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.3 REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

3.4 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

3.5 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

3.6 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) *Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As at March, 31, 2022, the gross NPA was INR 20.68 Crore on a gross portfolio of INR 54.79 Crore (including managed / securitized portfolio of INR 102 Crore).

- (b) *The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.*

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The members are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

- (c) *The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud*

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

(d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(e) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain

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flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

- (f) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

There are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are uninsurable. A successful assertion of such large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations. Such risks are normally minimized through strong Risk Management practices of the Company.

- (g) ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (including the NBFC Directions) the Issuer is required to maintain its status as a NBFC in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC Directions and fails to maintain the status of NBFC, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

- (h) ***The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk***

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and the Issuer has experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

(i) ***Economic Risk in India:***

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.7 ANY OTHER RISK FACTORS

(a) Legality of Purchase

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

For AYE FINANCE PVT. LTD.

Authorized Signatory

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended March 31, 2022 are set out in **Annexure V** hereto.

PRIVATE FINANCE (PVT) LTD.

Authorized Signatory

SECTION 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee:

- (a) This Placement Memorandum;
- (b) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (c) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on October 12, 2021 authorizing the issue / offer of non-convertible debentures by the Company;
- (d) Copies of the resolutions passed by the shareholders of the Company at the Annual General Meeting held on October 9, 2020 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 3000,00,00,000 (Indian Rupees Three Thousand Crore);
- (e) Copy of the resolution passed by the Board of Directors of the Company dated May 26, 2022 authorizing the issuance of the Debentures and the list of authorized signatories;
- (f) Copy of last 3 (Three) years audited Annual Reports;
- (g) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (h) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such debt securities are proposed to be listed.
- (i) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained;
- (j) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
- (k) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:

- (l) Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

5.2 [INTENTIONALLY LEFT BLANK]

5.3 Details of Promoters of the Issuer:

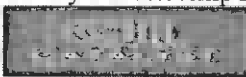

S.no	Details of Promoter	Description
1.	Name of promoter	N.A.
2.	Date of Birth	N.A.
3.	Age	N.A.
4.	Personal Address	N.A.
5.	Education/Qualifications	N.A.

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
6.	Experience in the business or employment	N.A.
7.	Positions/posts held in the past by the promoter	N.A.
8.	Directorships held by the promoter	N.A.
9.	Other ventures of the promoter	N.A.
10.	Special achievements	N.A.
11.	Business and financial activities of the promoter	N.A.
12.	Photograph	N.A.
13.	Permanent Accountant Number	N.A.
14.	Other Details	N.A.

Declaration	
<p>The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document</p>	

5.4 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	<p>Name: Catalyst Trusteeship Limited</p>  <p>Logo:</p> <p>Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai</p> <p>Website: https://catalysttrustee.com/</p> <p>Telephone Number: 022-49220502</p> <p>Email address: umesh.salvi@ctltrustee.com</p> <p>Contact person: Mr. Umesh Salvi</p>
2.	Credit Rating Agency for the Issue	<p>Name: India Ratings and Research Private Limited</p>  <p>Logo: A Fitch Group Company</p> <p>Address: Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051</p> <p>Website: https://www.indiaratings.co.in/</p> <p>Email address: Rating@indiaratings.co.in</p>

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		<p>Telephone Number: 022-40001700</p> <p>Contact person: Jinay P Gala</p>
3.	Registrar to the Issue	<p>Name: KFin Technologies Private Limited</p> <p></p> <p>Logo:</p> <p>Address: Plot No 31 & 32, Selenium Building, Financial District, Nanakranguda, Gachibowli, Hyderabad – 500 032, Telangana</p> <p>Website: www.kfintech.com</p> <p>Email address: unlservices@kfintech.com</p> <p>Telephone Number: +91- 040 – 67162222 Fax number: 040-23420814</p> <p>Contact Person: Mr. S P Venugopal (DGM Corporate Registry)</p>
4.	Statutory Auditors	<p>Name: M/s. S. R. Batliboi & Associates LLP</p> <p></p> <p>Logo:</p> <p>Address: 2nd & 3rd Floor, Golf View Corporate tower-B, Sector-42, Sector Road, Gurugram -122002, Haryana</p> <p>Website: https://www.ey.com</p> <p>Email address: Kapil3.Sharma@srb.in</p> <p>Telephone Number: +91 124 681 6000</p> <p>Contact Person: Mr. Kapil Sharma</p>
5.	Legal Counsel (if any)	<p>Name: N.A. The Issuer has been advised by its in-house legal and compliance team.</p> <p>Logo: N.A.</p> <p>Address: N.A.</p> <p>Website: N.A.</p> <p>Email address: N.A.</p> <p>Telephone Number: N.A.</p> <p>Contact Person: N.A.</p>
6.	Guarantor (if applicable)	<p>Name: N.A.</p> <p>Logo: N.A.</p> <p>Address: N.A.</p> <p>Website: N.A.</p> <p>Email address: N.A.</p> <p>Telephone Number: N.A.</p> <p>Contact Person: N.A.</p>
7.	Arrangers, if any	<p>Name: N.A.</p> <p>Logo: N.A.</p> <p>Address: N.A.</p> <p>Website: N.A.</p>

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		Email address: N.A. Telephone Number: N.A. Contact Person: N.A.
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5.5 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(a) Overview of the business of the Issuer

Aye Finance (P) Limited is a Delhi based non-banking financial company ("NBFC"). The Founder acquired "Doda Finance P Ltd" in January, 2014 and started lending operations in April, 2014 setting up its first branch in New Delhi. As on date Founder hold 9.48% of the shares in the Issuer.

Aye Finance has identified a niche segment between the target customer group currently being catered to by microfinance institutions and NBFCs. Here, the company looks to cater to the 'micro' segment in the MSME industry, where funding requirements are primarily for working capital and expansion of business. The company follows a 'cluster approach'. The company first identifies a potential industry cluster in a particular city/town based on a deep market research, conducting detailed interviews to draw out insights. Currently, the company has identified the following clusters- shoe-making in Delhi and Agra, readymade garments in Delhi, lock-making in Aligarh, sports goods in Meerut, gems jewellery in Jaipur etc.

As on March 31, 2022, Aye Finance has operations across 312 branches in the districts of Delhi, Uttar Pradesh, Rajasthan, Haryana, Punjab, Uttarakhand, Karnataka, Tamil Nadu, Madhya Pradesh, Telangana and Andhra Pradesh. The Company has reached out to borrowers primarily through expertise of the Founder team in these regions.

Branch details:

As of the date of this Placement Memorandum, the Company has 312 branches across 20 states.

Subsidiary details:

As of the date of this Placement Memorandum, the Company has one wholly owned subsidiary as follows:

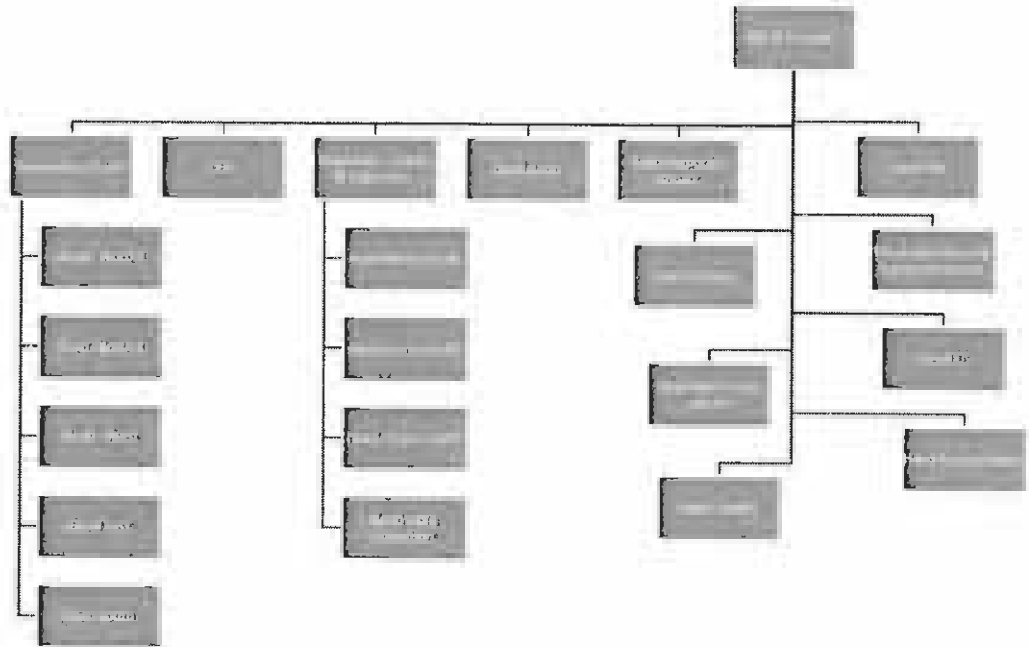
Name: Foundation for Advancement of Micro Enterprises
Place: Gurgaon

(b) Corporate Structure of the Issuer:

The graphic description/organogram of the corporate structure of the issuer is as follows:

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(c) Project cost and means of financing, in case of funding of new projects

Not Applicable

5.6 Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis:

(INR in crores)

	31- Mar- 20	31- Mar- 21	31- Mar- 22
	Audit ed	Audit ed	Audit ed
Balance Sheet			
Net Fixed Assets	7.48	6.88	6.21
Current Assets	1957.8 1	2062.9 0	2226.9 7
Non-Current Assets	54.20	64.09	89.29
Total Assets	2012.0 2	2126.9 9	2316.2 6
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	-	-	-
Financial (borrowings, trade payables, and other financial liabilities)	1489.0 8	1344.8 5	1580.7 6
Provisions	7.62	22.94	23.14
Deferred tax liabilities (net)	-	-	-
Other non-current liabilities	-	-	-

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	31- Mar- 20	31- Mar- 21	31- Mar- 22
	Audit ed	Audit ed	Audit ed
Other Non-Financial liability	6.72	12.50	6.35
Total liabilities	1495.31	1380.29	1610.25
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	-	-	-
Equity (equity and other equity)	516.71	746.70	706.01
Total equity and liabilities	2012.02	2126.99	2316.26
Profit and Loss			
Total revenue from operations	411.73	495.27	431.92
Other income	1.20	4.15	11.57
Total Expenses	372.98	476.14	510.90
Total comprehensive income	32.18	16.79	(44.74)
Profit / loss	39.95	23.28	(67.41)
Other comprehensive income	0.23	(0.10)	0.98
Profit / loss after tax	32.45	16.89	(45.72)
Earnings per equity share: (a) basic	11.74	5.58	(14.74)
Earnings per equity share: (b) diluted	11.59	5.51	(14.74)
Continuing operations - PAT	N.A.	N.A.	N.A.
Discontinued operations - PAT	N.A.	N.A.	N.A.
Total Continuing and discontinued	N.A.	N.A.	N.A.
Cash Flow			
Net cash generated from operating activities	(520.40)	125.23	(279.25)
Net cash used in / generated from investing activities	42.38	(189.78)	45.60
Net cash used in financing activities	509.74	71.82	207.04
Cash and cash equivalents	172.15	179.45	152.84
Balance as per statement of cash flows	172.15	179.45	152.84
Additional information			
Net Worth	516.71	746.70	706.01
Cash and Cash equivalents	172.15	179.45	152.84
Current investments	6.88	198.17	155.11
Asset Under Management	1781.4	1508.4	1728.4

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	31- Mar- 20	31- Mar- 21	31- Mar- 22
	Audit ed	Audit ed	Audit ed
	3	5	9
Off balance sheet assets	-	-	-
Total Debts to Total assets	0.72	0.63	0.68
Debt Service Coverage Ratios	N.A.	N.A.	N.A.
Interest Income	392.22	482.51	415.39
Interest Expense	130.51	227.91	152.30
Interest service coverage ratio	N.A.	N.A.	N.A.
Provisioning & write Offs	90.97	55.06	121.10
Bad debts to Account receivable ratio	1.09	2.36	6.64
Gross NPA (%)	2.175	3.31%	3.17%
Net NPA (%)	0.11%	0.80%	1.24%
Tier I Capital Adequacy Ratio (%)	30.97 %	41.18 %	36.03 %
Tier II Capital Adequacy Ratio (%)	0%	0%	0%

5.7 Debt: Equity Ratio of the Company:

Before the issue	2.15
After the issue	2.2

Calculations

As on March 31, 2022, debt-to-equity ratio is calculated as follows:

Debt	1520.74
Equity	706.01
Debt/Equity	2.15

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

Debt	1551.74
Equity	706.01
Debt/Equity	2.20

5.8 Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:

INR 2.44 Crore with respect to Income tax demand.

5.9 A brief history of Issuer since its incorporation giving details of its following activities:

- (a) Details of Share Capital as on last quarter end, i.e., June 30, 2022

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Share Capital	Amount (INR)
Authorised Share Capital	
5,500,000 Equity shares of Rs. 10 each	5,50,00,000
2,91,000 0.01% Compulsorily Convertible Cumulative Preference shares (CCPS) of Rs. 10 each	29,10,00,000
TOTAL	34,60,00,000
Issued Share Capital	
4,830,500 Equity shares of Rs. 10 each	4,83,05,000
2,61,82,448 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each	26,18,24,480
TOTAL	31,01,29,480
Issued, Subscribed and Fully Paid- up Share Capital	
4,830,500 Equity shares of Rs. 10 each	4,83,05,000
Less: amount recoverable from ESOP Trust (face value of 560,294 shares of Rs. 10 each held by trust)	(5,602,940)
2,61,82,448 0.01% Compulsorily Convertible Cumulative Preference Shares (CCPS) of Rs. 10 each	26,18,24,480
TOTAL	30,45,26,540

(b) Changes in its capital structure as on last quarter end i.e., June 30, 2022 for the last three years:

Date of Change (AGM/EGM)	Authorised Capital (INR)	Particulars
09/10/2020	34,60,00,000	55,00,000 Equity shares of Rs. 10 each and 2,91,00,000 Preference shares of Rs. 10 each
30/04/2020	34,10,00,000	50,00,000 Equity shares of Rs. 10 each and 2,91,00,000 Preference shares of Rs. 10 each

(c) Equity Share Capital History of the Company, for the last three years:

Date of Allotment	Name of Investor	No. of Equity Shares	Face Value (in INR)	Issue Price (in Rs)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative Paid Up Capital			Remarks
							No of Equity Shares	Equity Share Capital (INR in Crore)	Equity Share Premium (INR In Crore)	
31.03.2014	Sanjay Sharma	4,52,000	10	10	Cash	Equity	8,65,000	86,50,000	-	N. A
	Vikram Jetley	1,13,000	10	10	Cash	Equity				N. A
03.07.2014	Sanjay Sharma	108010	10	10	Cash	Equity	25,00,000	2,50,00,000	-	N. A
	Vikram Jetley	326990	10	10	Cash	Equity				N. A
	Shankh Corporation LLP	600000	10	10	Cash	Equity				N. A

	Shvet Corporation LLP	60000	10	10	Cash	Equity					N. A
21.08.2014	Sanjay Sharma	20000	10	10	Cash	Equity	35,00,000	3,50,00,000	-		N. A
	Vikram Jetley	20000	10	10	Cash	Equity					N. A
	Shankh Corporation LLP	30000	10	10	Cash	Equity					N. A
	Shvet Corporation LLP	30000	10	10	Cash	Equity					N. A
12.12.2014	Sanjay Sharma	4954	10	12	Cash	Equity	48,30,000	4,83,00,000	26,60,000		N. A
	Vikram Jetley	1000	10	12	Cash	Equity					N. A
	Sumant Misra	174874	10	12	Cash	Equity					N. A
	Deepa Pandit	199856	10	12	Cash	Equity					N. A
	Meera Madhusudan Deshmukh & Kalpana Kiran (Joint Holders)	449676	10	12	Cash	Equity					N. A
	Umesh Kumar Gupta and Gitika Gupta (Joint Holders)	249820	10	12	Cash	Equity					N. A
20.02.2015	Accion Africa-Asia Investment Company	100	10	29.000021	Cash	Equity	48,30,200	4,83,02,000	26,63,800.00		N. A
	SAIF Partners India V Limited	100	10	29.000021	Cash	Equity					N. A
28.11.2016	LGT Capital Invest Mauritius	100	10	106.7649	Cash	Equity	48,30,300	4,83,03,000	26,73,476.49		N. A

19.06.2018	CapitalG LP	100	10	256.24	Cash	Equity	48,30,400	4,83,04,000	26,98,100.45	N.A.
06.03.2019	Falcon Edge India I LP	100	10	426.70	Cash	Equity	48,30,500	4,83,05,000	27,39,770.45	N.A.

5.10 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year.

5.11 Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.

5.12 Details of the shareholding of the Company as on the latest quarter end, i.e., June 30, 2022:

(a) Shareholding pattern of the Company as on last quarter end, i.e. June 30, 2022 as per the format specified under the listing regulations:

Equity Shares

Sr No	Name of Equity Shareholder	Total No of Equity Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1.	Sanjay Sharma	979,750	979,750.00	3.16
2.	Vikram Jetley	6,31,000	-	2.03
3.	Shankh Corporation LLP	8,49,625	-	2.74
4.	Shvet Corporation LLP	8,49,625	-	2.74
5.	Sumant Misra	57,750	57,750	0.19
6.	Deepa Pandit	66,000	66,000	0.21
7.	Umesh Kumar Gupta and Gitika Gupta (Joint Holders)	82,500	82,500	0.27
8.	Ashok Prabhakar Nadkarni	82,500	82,500	0.27
9.	A91 Emerging Fund I LLP	65	65	0.00
10.	SAIF Partners India V Limited	53,677	53,677	0.17
11.	Aye Finance Employee Welfare Trust	5,60,294	-	1.81
12.	LGT Capital Invest Mauritius PCC with Cell E/VP	33,093	32,993.00	0.11
13.	CapitalG LP	100	0	0.00
14.	Nimrata Sharma	2,41,963	2,41,963.00	0.84

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15.	Harleen Kaur Jetley	65,491	30,892.00	0.21
16.	MAJ INVEST FINANCIAL INCLUSION FUND II K/S	86,215	86,215.00	0.28
17.	Falcon Edge India I LP	1,70,850	-	0.55
	Total	48,30,500	1,734,307	15.58

Preference Shares

S. No.	Name of the Shareholder	No. of Preference shares held	No. of shares in demat form	% of total holding
1	A91 Emerging Fund I LLP	32,00,565	3,200,565	10.32
2	SAIF Partners India V Limited	61,59,852	6,159,852	19.86
3	LGT Capital Invest Mauritius PCC with Cell E/VP	53,90,925	2,581,114	17.38
4	CapitalG LP	39,37,237	780,986	12.70
5	CapitalG International LLC	11,56,897	1,156,897	3.73
6	MAJ INVEST FINANCIAL INCLUSION FUND II K/S	22,04,985	2,204,985	7.11
7	Falcon Edge India I LP	41,31,987	-	13.32
	Total Preference	2,61,82,448	16,084,399	84.42
	Total no. of shares	3,10,12,948	17,818,706	100

- (b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. June 30, 2022:

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Percentage of Total Shareholding (%)	Number of shares held in Demat Form
1.	Sanjay Sharma	979,750	3.16	979,750
2.	Vikram Jetley	631,000	2.03	-
3.	Shardh Corporation LLP	599,625	1.93	-

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4	Shvet Corporation LLP	849,625	2.74	-
5	Aye Finance Employee Welfare Trust	5,60,294	1.81	-
6	Namrata Sharma	2,61,965	0.84	2,61,965
7	Falcon Edge India I LP	1,70,850	0.55	-
8	MAJ Invest Financial Inclusion Fund II K/S	86,215	0.28	862,15
9	Umesh Kumar Gupta and Gitika Gupta (Joint Holders)	82,500	0.27	82,500
10	Ashok Prabhakar Nadkarni	82,500	0.27	82,500

5.13 Following details regarding the directors of the Company:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of this Placement Memorandum:

S. No.	Name of the Directors	Designation	Date of Birth	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
1.	Sanjay Sharma	Managing Director	16/06/1961	60 years	504/21, Heritage City, M.G. Road, DLF Phase-II, Gurgaon Haryana-122008	03337545	Shankh Corporation LLP, Shvet Corporation LLP, Foundation for Advancement of Microenterprises	Service	No
2.	Vivek Kumar Mathur	Director	07/01/1962	59 years	D-151, Westend Heights, DLF Phase-V, Gurgaon-122009, Haryana	03581311	Light Ray Advisors LLP, One 97 Communications India Limited, Saif Advisors Private Limited, One 97 Communications Limited, Tracxn Technologies, Paytm E-Commerce Private Limited, Busybees Logistics Solutions Private Limited, Senco Gold Ltd, Paytm Payments Services Limited and Elixia Technologies Private Limited	Service	No
3.	Navin Kumar	Independent	12/02/1955	66 years	B-74, 1st Floor,	00419821	UGRO Capital Limited, Capital Small Finance	Independent	No

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	Maini	Director			Defence Colony, New Delhi-110024, Delhi		Bank Limited, Ananya Finance For Inclusive Growth Private Limited, NSE Clearing Limited	ent Consultant	
4.	Kanika Tandon Bhal	Independent Director	24/10/1964	56 years	68, Vikramshila Apartments, IIT Campus, New Delhi, Delhi 110016	0694 4916	New Delhi Municipal Council Smart City Limited, Ramagundam Fertilizers And Chemicals limited	Service (Teaching & research)	No
5.	Sumiran Das	Director	12/11/1988	32 years	1254, Taylor Street, Apartment 5, San Fransisco, California , USA	0835 7729	Nil	Director	No
6.	Navroz Darius Udwardia	Director	23/12/1973	47 years	Flat No. 3, 14 Vicrage Gate, London, W84AG, UK	0008 3552 20	Dtwelve Spaces Private Limited, Mswipe Technologies Private Limited, OFB Tech Private Limited, JM Financial Limited	Director	No
7.	Vinay Baijal	Independent Director	15/06/1951	70 years	701, LodhaGrander, Sayani Road, opposite ST bus depot, Prabha Devi, Mumbai – 400025	0751 6339	Peridot Financial Services (India) Private Limited, Fincare Small Finance Bank Limited and Dreamplug Paytech Solutions Private Limited	Consultant	No
8.	Kartik Srivatsa	Director	19/10/1982	38 years	3rd Floor, # 5, 12th Block, 5th Main, Kumara Park-West, Bangalore - 560 028	0355 9152	Aspada Capital Advisors LLP, Siddhi Vinayak Agri Processing Private limited, Waycool Foods And Products Private Limited, Ummeed Housing Finance Private Limited, Vivriti Capital Private Limited, Veris	Self-employed	No

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					Karnataka, India		Asset Management Private Limited, CredAvenue Private Ltd, Aapti-Episteme Research Foundation, Be Well Hospitals Private Limited, LGT Impact Investment Advisors India Private Limited, Lightrock Corporate Services Private Limited, Lightrock Investment Advisors Private Limited		
9.	Kaushik Anand Kalyana Krishnan	Director	15/07/1988	33 Years	B603 Ashok Gardens, T J Road, Sewri, Mumbai, Maharashtra-400015	0771 9742	ASHOKA91 SPONSOR LLP	Service	No

(b) Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Vikram Jetley	Director	06530212	10/01/2014	-	01/01/2022	-
Kaushik Anand Kalyana Krishnan	Director	07719742	09/10/2020	-	-	-
Kartik Srivatsa	Director	03559152	20/02/2020	-	-	-
Abhishek Agrawal	Director	06760344	-	-	31/01/2020	-
Rajat Arora	Director	07201387	-	-	21/06/2019	-
Abhishek Agrawal	Director	06760344	10-01-2019	-	-	-
Vikas Raj	Director	01952782	-	-	24/04/2019	-
Sumiran Das	Director	0008357729	28/03/2019	-	-	-
Kaushik Anand Kalyana Krishnan	Director	07719742	-	-	19/03/2019	-
Navroz Darius Udwadia	Director	0008355220	12-03-2019	-	-	-
Vinay Bajjal	Independent Director	07516339	21-02-2019	-	-	-

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Ashish Garg	Director	0008270332	09-11-2018	-	-	-
Ashish Garg	Director	0008270332	-	-	17-11-2018	-
Kanika Tandon Bhal	Independent Director	06944916	17-05-2018	-	-	-

5.14 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name of the Auditor	Address	Auditor since
S. R. Batliboi	2nd & 3rd Floor Golf View Corporate Tower - B Sector - 42, Sector Road, Gurugram-122002, Haryana, India	09-10-2020

(b) Details of change in auditors since last three years:

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
S. R. Batliboi & Associates LLP	2nd & 3rd Floor Golf View Corporate Tower - B Sector - 42, Sector Road Gurugram-122002, Haryana, India	09-10-2020	-	-
Deloitte Haskins & Sells LLP	7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon - 122002, Haryana	28/07/2015	08-10-2020	-

5.15 Details of the following liabilities of the issuer, as at the end of the last quarter, i.e June 30, 2022, or if available, a later date:

(a) Details of Outstanding Secured Loan Facilities (as on June 30, 2022):

Name of Lender	Type of Asset	Amount	Principal	Repayment	Secured
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	Facility	Sanctioned (INR in Crore)	Amount Outstanding (INR in Crore)	Date Schedule	ity
HDFC Bank	Overdraft	5.00	-	Monthly	1.25x
Federal Bank	Term Loan	10.00	1.90	Monthly	1.10x
HDFC Bank	Term Loan	25.00	10.42	Monthly	1.20x
Federal Bank	Term Loan	20.00	11.20	Monthly	1.10x
CSB	Term Loan	20.00	11.66	Monthly	1.10x
Credit Saison	Term Loan	25.00	16.67	Quarterly	1.00x
Tata Capital	Term Loan	15.00	10.50	Monthly	1.10x
RBL	Term Loan	10.00	4.00	Monthly	1.20x
RBL	Term Loan	10.00	6.00	Monthly	1.20x
AU Finance	Term Loan	15.00	11.88	Monthly	1.10x
Maanaveeya	Term Loan	25.00	22.73	Monthly	1.10x
Credit Saison	Term Loan	25.00	22.92	Quarterly	1.10x
SIDBI	Term Loan	20.00	13.40	Monthly	1.10x
Northern Arc	Term Loan	40.00	40.00	Monthly	1.20x
Piramal Capital	Term Loan	30.00	30.00	Monthly	1.10x
MAS Financials	Term Loan	10.00	8.75	Monthly	1.10x
HDFC Bank	Term Loan	20.00	17.50	Monthly	1.10x
Piramal Capital	Term Loan	20.00	20.00	Monthly	1.10x
MAS Financials	Term Loan	40.00	40.00	Monthly	1.10x
HLF	Term Loan	40.00	40.00	Monthly	1.10x
DCB Bank	WCDL	5.00	5.00	Monthly	1.10x
Total		430.00	344.51		

(b) Details of Outstanding Unsecured Loan Facilities (as on June 30, 2022):

Name of Lender	Type of Facility	Amount Sanctioned (INR in Crore)	Principal Amount Outstanding (INR in Crore)	Repayment Date / Schedule
N. A.	N. A.	N. A.	N. A.	N. A.
Total		N.A.	N.A.	

(c) Details of Outstanding Non-Convertible Securities (as on June 30, 2022):

Series of Non-Convertible Securities	Tenor / Period of Maturity	Comp on	Amount (INR in Crore)	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
541-800	60 months	12.8000%	26	July 31, 2017	29 July 2022	ICRA BBB+	Secured	1.10 (One Decimal Point One Zero) times to the value of the Outstanding Principal

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								Amounts being maintained at all times
01-440	72 months	13.47 % and 13.55 % p.a.	44	August 29, 2017	29 August 2023	ICRA BBB+	Secured	100% exclusive charge on prime portfolio of the Company.
01-300	60 months	11% p.a.(net of withholding taxes)	30	March 28, 2018	March 28, 2023	ICRA BBB+	Secured	100% exclusive charge on prime portfolio of the Company.
01-720	48 months	11.85 % p.a.	72	October 31, 2018	October 31, 2024	ICRA BBB+	Secured	1.10 (One Decimal Point One Zero) times to the value of the Outstanding Principal Amounts being maintained at all times.
01-350	72 months	13% per annum	26.25	June 26, 2019	June 26, 2025	ICRA + BBB	Secured	1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures.
01-3200	36 months	12.32 % per annum	5.33	August 05, 2019	August 05, 2022	ICRA BBB+	Secured	1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures.

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01-12500	48 months	10.78 %p.a.	93.75	October 25, 2019	October 25, 2023	Unrated	Secured	1 (One Decimal) times the aggregate amount of principal amount outstanding of the Debentures
01-414	60 months	12.50 %p.a.	41.40	November 8, 2019	November 8, 2024	India Ratings A-	Secured	1 (One Decimal) times the aggregate amount of principal amount outstanding of the Debentures
01-1070	36 months	12.90 % p.a.	107	November 29, 2019	November 29, 2022	India Ratings A-	Secured	1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures
01-580	36 months	12.867 % p.a. and 12.640 % p.a.	58	March 31, 2020	March 31, 2023	India Ratings A-	Secured	1 (One Decimal) times the aggregate amount of principal amount outstanding of the Debentures
01-250	36 months	13.50 % p.a.	7.64	May 22, 2020	May 22, 2023	India Ratings A-	Secured	1.1x (One Decimal One) times the aggregate amount of principal amount outstanding of the Debentures

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01-7,71,750	18 months	10.70 % p.a.	0.0077	08 December 2020	13 May 2024	India Ratings A-	Secured	100% exclusive charge
01-500	24 months	"Coupon linked to the official closing level of the 6.10% GS 2031 (ISIN IN0020210095) as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in)"	50	02 September 2021	7 September 2023	PP-MLD [ICRA]AA (CE)	Secured	130% exclusive charge
01-250	15 months	11.50 % p.a.	25	28 September 2021	31 December 2022	Ind A-	Unsecured	N.A.
01-222216	40 months	10.20 % p.a.	22.22	21 December 2021	21 June 2025	Ind A-	Secured	100% of the hypothecated assets
01-20000000	60 months	12.14	20.00	March 06 2019	March 06 2024	-	Unsecured	-
01-37500	36 months	11.35 % p.a.	37.50	February 28 2022	March 15 2025	-	Unsecured	-

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37501-75000	36 months	11.35 % p.a	37.50	February 28 2022	March 15 2025	-	Unsecured	-
01-1000	13 months	11.25 % p.a	10.00	March 29 2022	April 30 2023	-	Unsecured	-
01-150	18 months	9.50% p.a	15.00	March 24, 2022	September 24, 2023	Ind A-	Secured	1.05x (One Decimal point Zero Five) times the aggregate amount of principal amount outstanding of the Debentures
151-300	24 months	9.90% p.a	15.00	March 24, 2022	March 24, 2024	Ind A-	Secured	1.05x (One Decimal point Zero Five) times the aggregate amount of principal amount outstanding of the Debentures
01-2500	24 months	12.00 % p.a	21.87	March 24, 2022	March 24, 2024	Ind A-	Secured	1.10x (One Decimal One Zero) times the aggregate amount of principal amount outstanding of the Debentures

5.16 List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of holders of Non-convertible Securities	Amount (INR)	% of total INCS outstanding
1.	Blue Orchard Microfinance Fund	22,600.00	27.2529238
2.	SEDE BELANJAU FINANS TERKES MAALISIA/PI YOKER	12,700.00	15.6735198

	ONTWIK		
3.	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV - SIF	6,300.00	7.59705398
4.	AAV Sarl	7,039.83	8.48920135
5.	Masala Investments S.A.R.L	7,039.83	8.48920135
6.	TRIODOS SICAV II - TRIODOS MICROFINANCE FUND	5,100.00	6.14999608
7.	TRIODOS CUSTODY B.V. ACTING IN ITS CAPACITY AS A C	5,100.00	6.14999608
8.	State bank of India	5,000.00	6.02940792
9.	VIVRITI SHORT TERM BOND FUND	2,500.00	3.01470396
10.	UTI International Wealth Creator 4	3,500.00	4.22058555

5.17 Details of outstanding Commercial Paper as at the end of the last quarter (as on June 30, 2022) in the following format:

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount outstanding
1.	NIL	NIL	NIL

5.18 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Security
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not

None

5.20 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC including details regarding the following

(a) Lending Policy: Should contain overview of origination, risk management, monitoring and collections:

Please refer to the lending policy set out in Annexure X.

(b) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:

Refer Annexure X

- (c) **Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer to paragraph (J) below of this table below.

- (d) **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Refer Annexure X

- (e) **Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**

Please refer to paragraph (K) of this table below

B. Details of borrowings made by NBFC

- (a) **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

- (b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

Please refer to paragraph (K) of this table below.

- (c) **Quantum and percentage of secured vis-à-vis unsecured borrowings made; and**

Type of Borrowings	Outstanding as at March 31, 2022 (INR) (in Crore)	%
Secured Borrowings	1390.74	91%
Unsecured Borrowings	130	9%
Total	1520.74	100%

C. Details of change in shareholding

- (a) **Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:**

None

D. Disclosure of Assets Under Management

- (a) **Segment wise breakup:**

Please refer to sub-paragraph (c) of paragraph (J) in this table below.

- (b) **Type of Loans**

Please refer to sub-paragraph (a) of paragraph (J) in this table below.																												
E. Details of borrowers																												
(a) Geographical location wise																												
Please refer to sub-paragraph (e) of paragraph (J) in this table below.																												
F. Details of Gross NPA																												
(a) Segment wise:																												
Please refer to sub-paragraph (c) of paragraph (K) in this table below.																												
G. Details of Assets and Liabilities																												
(a) Residual maturity profile wise into several bucket:																												
Please refer to paragraph (L) in this table below.																												
H. Additional details of loans made by housing finance company																												
Given that the Issuer is not a housing finance company, this is not applicable.																												
I. Disclosure of latest ALM statements to stock exchange																												
Please refer to the ALM statements set out in Annexure XI.																												
J. Classification of loans according to																												
(a) Type of Loans:	<u>Details of types of loans</u>																											
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Types of loans</th> <th>Rs. crore</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Secured</td> <td>143.49</td> </tr> <tr> <td>2</td> <td>Unsecured</td> <td>1584.54</td> </tr> <tr> <td></td> <td>Total assets under management (AUM)^{^^}</td> <td>1728.49</td> </tr> </tbody> </table>		Sl. No.	Types of loans	Rs. crore	1	Secured	143.49	2	Unsecured	1584.54		Total assets under management (AUM) ^{^^}	1728.49														
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*Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^{^^} Issuer is also required to disclose off balance sheet items;																												
(b) Denomination of loans outstanding by loan-to-value:	<u>Details of LTV</u>																											
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>LTV (at the time of origination)</th> <th>Percentage of AUM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Upto 40%</td> <td>7.100%</td> </tr> <tr> <td>2</td> <td>40-50%</td> <td>0.80%</td> </tr> <tr> <td>3</td> <td>50-60%</td> <td>0.42%</td> </tr> <tr> <td>4</td> <td>60-70%</td> <td>0</td> </tr> <tr> <td>5</td> <td>70-80%</td> <td>0</td> </tr> <tr> <td>6</td> <td>80-90%</td> <td>0</td> </tr> <tr> <td>7</td> <td>>90%</td> <td>0</td> </tr> <tr> <td></td> <td>Total</td> <td>8.32%</td> </tr> </tbody> </table>		Sl. No.	LTV (at the time of origination)	Percentage of AUM	1	Upto 40%	7.100%	2	40-50%	0.80%	3	50-60%	0.42%	4	60-70%	0	5	70-80%	0	6	80-90%	0	7	>90%	0		Total
Sl. No.	LTV (at the time of origination)	Percentage of AUM																										
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3	50-60%	0.42%																										
4	60-70%	0																										
5	70-80%	0																										
6	80-90%	0																										
7	>90%	0																										
	Total	8.32%																										
(c) Sector Exposure	<u>Details of sectoral exposure</u>																											
	<u>Sl. No.</u>	<u>Segment-wise breakdown of AUM</u>																										
		<u>Percentage of AUM</u>																										

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	<table border="1"> <tr> <td>1</td> <td>Retail</td> <td></td> </tr> <tr> <td>A</td> <td>Mortgages (home loans and loans against property)</td> <td>-</td> </tr> <tr> <td>B</td> <td>Gold loans</td> <td>-</td> </tr> <tr> <td>C</td> <td>Vehicle finance</td> <td>-</td> </tr> <tr> <td>D</td> <td>MFIs</td> <td>-</td> </tr> <tr> <td>E</td> <td>MSME</td> <td>100%</td> </tr> <tr> <td>F</td> <td>Capital market funding (loans against shares, margin funding)</td> <td>-</td> </tr> <tr> <td>G</td> <td>Others</td> <td>-</td> </tr> <tr> <td>2</td> <td>Wholesale</td> <td></td> </tr> <tr> <td>A</td> <td>Infrastructure</td> <td>-</td> </tr> <tr> <td>B</td> <td>Real estate (including builder loans)</td> <td>-</td> </tr> <tr> <td>C</td> <td>Promoter funding</td> <td>-</td> </tr> <tr> <td>D</td> <td>Any other sector (as applicable)</td> <td>-</td> </tr> <tr> <td>E</td> <td>Others</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>100%</td> </tr> </table>	1	Retail		A	Mortgages (home loans and loans against property)	-	B	Gold loans	-	C	Vehicle finance	-	D	MFIs	-	E	MSME	100%	F	Capital market funding (loans against shares, margin funding)	-	G	Others	-	2	Wholesale		A	Infrastructure	-	B	Real estate (including builder loans)	-	C	Promoter funding	-	D	Any other sector (as applicable)	-	E	Others	-		Total	100%
1	Retail																																													
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(d) Denomination of loans outstanding by ticket size*:	<p>Details of outstanding loans category wise</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Ticket size (at the time of origination)</th> <th>Percentage of AUM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Upto Rs. 2 lakh</td> <td>53.16%</td> </tr> <tr> <td>2</td> <td>Rs. 2-5 lakh</td> <td>46.37%</td> </tr> <tr> <td>3</td> <td>Rs. 5 - 10 lakh</td> <td>0.47%</td> </tr> <tr> <td>4</td> <td>Rs. 10 - 25 lakh</td> <td>-</td> </tr> <tr> <td>5</td> <td>Rs. 25 - 50 lakh</td> <td>-</td> </tr> <tr> <td>6</td> <td>Rs. 50 lakh - 1 crore</td> <td>-</td> </tr> <tr> <td>7</td> <td>Rs. 1 - 5 crore</td> <td>-</td> </tr> <tr> <td>8</td> <td>Rs. 5 - 25 crore</td> <td>-</td> </tr> <tr> <td>9</td> <td>Rs. 25 - 100 crore</td> <td>-</td> </tr> <tr> <td>10</td> <td>>Rs. 100 crore</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p><i>* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts):</i></p>	Sl. No.	Ticket size (at the time of origination)	Percentage of AUM	1	Upto Rs. 2 lakh	53.16%	2	Rs. 2-5 lakh	46.37%	3	Rs. 5 - 10 lakh	0.47%	4	Rs. 10 - 25 lakh	-	5	Rs. 25 - 50 lakh	-	6	Rs. 50 lakh - 1 crore	-	7	Rs. 1 - 5 crore	-	8	Rs. 5 - 25 crore	-	9	Rs. 25 - 100 crore	-	10	>Rs. 100 crore	-		Total	100%									
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provisions for NPA	Opening balance	39.58
	- Provisions made during the year	33.78
	- Write-off/ write-back of excess provisions	-39.50
	Closing balance	33.86

(c) Segment wise gross NPA	Sl. No.	Segment-wise gross NPA	Gross NPA (%)
	1	Retail	
A	Mortgages (home loans and loans against property)	-	
B	Gold loans	-	
C	Vehicle finance	-	
D	MFI	-	
E	MSME	3.29%	
F	Capital market funding (loans against shares, margin funding)	-	
G	Others	-	
2	Wholesale		
A	Infrastructure	-	
B	Real estate (including builder loans)	-	
C	Promoter funding	-	
D	Any other sector (as applicable)	-	
E	Others	-	
	Total	3.29%	

L. Residual maturity profile of assets and liabilities (in line with the RBI format):
(as per Audited Financial as on March 31, 2022) INR (in Crore)

Residual maturity profile of assets and liabilities	Category	Up to 30 / 31 days	>1 mon ths – 2 mon ths	>2 mon ths – 3 mon ths	>3 mon ths – 6 mon ths	>6 mon ths – 1 year	>1 year – 3 years	>3 year – 5 years	> 5 years	Total
		Deposit	-	-	-	-	-	-	-	
Advances	74.65	80.04	79.70	242.74	473.72	761.07	15.28	15.06	1,742.26	
Investments	229.17	56.73	14.15	131.10	16.84	11.54	0.60	-	460.13	
Borrowings	33.33	136.92	71.26	115.13	451.21	332.89	147.51	26.12	1,314.39	
FCA*	-	-	-	-	-	-	-	-	-	
FCL*	1.42	-	40.21	0.57	126.99	37.15	-	-	206.35	

*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;

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- 5.21 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years including the current financial year:**

Nil

- 5.22 [INTENTIONALLY LEFT BLANK]**

- 5.23 Financial Information**

- (a) **A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable**

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Please refer to Annexure V for the financial statements for the financial year ending March 31, 2022 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

N. A

- (b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors.**

Please refer to Annexure V for the financial statements for the financial year ending March 31, 2022.

- (c) **Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

- i. The issue is made on the EBP platform irrespective of the issue size; and**
- ii. The issue is open for subscription only to Qualified Institutional Buyers.**

Not Applicable as the Issuer has been in existence for a period of more than 3 (three) years prior to the date of this Placement Memorandum.

- 5.24 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, etc.)**

litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/continue to invest in the debt securities of the Issuer.

- 5.25 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company;**

None

- 5.26 Details of default and non-payment of statutory dues**

None

- 5.27 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

- 5.28 Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

The Rating Agency has assigned a rating of "IND A-" (pronounced as "IND A minus") to the Debentures. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **Annexure II** of this Placement Memorandum.

- 5.29 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Not applicable.

- 5.30 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:

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Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with Chapter III (*Day count convention, disclosure of cash flows and other disclosures in the offer document*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as may be amended and modified from time to time;

- (b) Procedure and time schedule for allotment and issue of securities:

Please refer to the column on "*Issue Timing*" under Section 5.37 (*Issue Details*) of this Placement Memorandum; and

- (c) Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration:

The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

- 5.31 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Annexure IX** hereto. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

The Debentures are not proposed to be listed on more than one stock exchange.

- 5.32 Other details:**

- (a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

- (b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.):**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing

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Regulations, the LODR Regulations the NBFC Directions, the NCD Issuance Directions and the applicable guidelines and directions issued by the RBI and SEBI.

- (c) **Default in payment:** If, at any time, there shall be a Payment Default or an Event of Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.
- (d) **Delay in listing:** In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 4 (four) Business Days from the date of closure of the issue for the Debentures, the Company (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of allotment of the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
- (e) **Delay in allotment of securities:**
- (i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.
- (ii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").
- (iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum from the expiry of the Allotment Period.
- (f) **Issue details:** Please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum
- (g) **Application process:**
- The application process for the Issue is as provided in SECTION 8 of this Placement Memorandum.
- (h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**
- All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **Section 10**.

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- (i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not applicable

5.33 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated May 26, 2022 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholders Resolution dated October 12, 2021 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution dated October 9, 2020 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated July 7, 2022, rating rationale from the Rating Agency dated July 7, 2022 along with detailed press release.
7	Letter from Catalyst Trusteeship Limited dated July 11, 2022 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.
12	Debenture Trustee Agreement to be executed by the Issuer and the Debenture Trustee.
13	Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.
14	Deed of Hypothecation to be executed by the Issuer and the Debenture Trustee.

5.34 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of INR 31,00,00,000/- (Rupees Thirty One Crore) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.

The aggregate issue size for the Debentures is of INR 31,00,00,000/- (Rupees Thirty One Crore).

5.36 Utilization of the Issue Proceeds

The proceeds shall be used for as set out in the column of “*Details of the utilization of the Proceeds*” under Section 5.37 (*Issue Details*) of this Placement Memorandum. and shall not be utilized for the purposes mentioned below.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

The Issue shall not be utilised towards ~~acquiring financing via buyback of shares/equities,~~ purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.37 Issue Details

Security Name (Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)	11.1569% Aye Finance 2027
Issuer	Aye Finance Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures

Seniority (Senior or subordinated)	Senior
Eligible Investors	Please refer Section 8.14 (<i>Eligible Investors</i>).
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (Four) Business Days from the date of closure of the issue for the Debentures.</p> <p>Without prejudice to the below and at the option of the Debenture Holder(s), in the event that the Debentures are not listed within 4 (Four) Business Days from the date of closure of the issue for the Debentures for any reason whatsoever, then to the extent that any Debenture Holder(s) are foreign institutional investors or sub-accounts of foreign institutional investors or qualified foreign investors, or foreign portfolio investors, the Company undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the listing period.</p> <p>In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "<i>Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i>" (as amended and modified from time to time), the Issuer confirms that in case of a delay by the Company in listing the Debentures beyond 4 (Four) Business Days from the date of closure of the issue for the Debentures, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the expiry of 4 (Four) Business Days from the date of allotment of the Debentures till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.</p>
Rating of Instrument	IND A- Stable
Issue Size	INR 31,00,00,000/- (Rupees Thirty One Crore)
Minimum subscription	The minimum application size for the Issue shall be 10 (ten) Debentures and in multiples of 1 (one) Debenture thereafter.
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	To raise secured debt to the extent up to INR 31,00,00,000/- (Rupees Thirty One Crore) and 100% (One Hundred Percent) of the issue proceeds will be utilized for enabling the Issuer to continue operations and address the impact of COVID-19 pandemic on the Issuer's operations and portfolio and to enable the Issuer to provide access to liquidity for its micro, small and medium enterprise (MSME) clients.
In case the issuer is	Not Applicable. The proceeds raised from the Issue will be used solely for the

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a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Purpose.
Details of the utilization of the Proceeds	100% (One Hundred Percent) of the issue proceeds will be utilized for enabling the Issuer to continue operations and address the impact of COVID-19 pandemic on the Issuer's operations and portfolio and to enable the Issuer to provide access to liquidity for its micro, small and medium enterprise (MSME) clients.
Coupon Rate	means 11.1569% (eleven decimal one five six nine percent) per annum, net of withholding taxes, payable semi-annually until the Coupon Reset Date. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate shall, in the absence of an agreement on the Coupon Rate between the Debenture Holder(s) and the Issuer, continue to be 11.1569% (eleven decimal one five six nine percent), net of withholding taxes. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent).
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-Annually
Coupon Payment Dates	Semi-annually on the dates set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention).
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	The Coupon Rate can be reset on the Coupon Reset Date subject to a new Coupon Rate being agreed on between the Issuer and the Majority Debenture Holders, which new Coupon Rate shall be communicated by the Majority Debenture Holders to the Debenture Trustee at least 15 (Fifteen) calendar days prior to the Coupon Reset Date. The Debenture Trustee shall then communicate the new Coupon Rate, so determined, to the Issuer at least 10 (Ten) calendar days before the Coupon Reset Date. The new Coupon Rate will be applicable from the Coupon Reset Date. If no new Coupon Rate is communicated to the Issuer, the existing Coupon Rate will be applicable.
Day Count Basis (Actual / Actual)	Actual / Actual
Interest on Application Money	Interest at the Coupon Rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) will be paid on application money to the applicants from the date of realization of the monies up to 1 (One) day prior to the Deemed Date of Allotment for all valid applications, with 7 (Seven) Business Days from the Deemed Date of

	<p>Allotment. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the refund orders. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on the application will be refunded to the applicant and the cheque towards interest on the refunded money will be dispatched by registered post, courier or by way of RTGS / NEFT / Direct Credit. Details of allotment will be sent to every successful applicant. In all cases, the interest instruments will be sent, at the sole risk of the applicant / first applicant.</p>
Default Interest Rate	<p>If, at any time, there shall be a Payment Default or an Event of Default, the Company agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.</p> <p>In the case of a delay in the execution of the DTD and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Debenture Holders.</p>
Tenor	60 (sixty) months from the Deemed Date of Allotment
Redemption Date / Maturity Date	July 28, 2027, being 60 (sixty) months from the Deemed Date of Allotment (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations) subject to the Put Option or the Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Redemption Amount	<p>INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture on the Principal Payment Date(s) plus accrued Coupon in the manner set out in Annexure VI (Illustration of Bond Cash Flows) hereto.</p> <p>Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.</p>
Redemption Premium/ Discount	Not Applicable
Issue Price	INR 10,00,000/- (Indian Rupees Ten Lakhs) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Date	July 28, 2025, being 36 (thirty six) months from the Deemed Date of Allotment.
Put Price	Amount equivalent to the face value of all the Debentures being redeemed and interest, due and payable, Increased Costs and other unpaid interests as on the date of the Put Option Notice.
Call Date	July 28, 2025, being 36 (thirty six) months from the Deemed Date of Allotment.
Call Price	Amount equivalent to the face value of all the Debentures being redeemed and interest, due and payable, Increased Costs and other unpaid interests as on the

	date of the Call Option Notice.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	<p>(a) The Debenture Holders shall on the Exercise Date have the right to redeem the Debentures, in full or in part, by exercising the Put Option.</p> <p>(b) The Issuer shall send a notice to the Debenture Holder(s) in writing (with a copy marked to the Debenture Trustee) at least 24 (Twenty Four) calendar days prior to the Exercise Date, communicating the details of the Put Option, including the time available to exercise the Put Option and the Exercise Date and the eligibility of the relevant Debenture Holders who are entitled to avail such right of Put Option ("Put Option Notice").</p> <p>(c) The Issuer shall, to the extent required by Applicable Law(s), also provide a copy of the Put Option Notice to BSE and shall, to the extent required by Applicable Law(s), publish the Put Option Notice in an English national daily and regional daily having wide circulation at the place where the registered office of the Issuer is situated.</p> <p>(d) Without prejudice to (b) above, any Debenture Holder and/or all Debenture Holder(s) desirous of exercising the Put Option shall send a notice to the Issuer in writing (with a copy marked to the Debenture Trustee) at least 3 (Three) Business Days prior to the Exercise Date (being the date of commencement of the Exercise Period) communicating the intent of such Debenture Holder(s) to exercise the Put Option on the Exercise Date ("Put Option Exercise Notice").</p> <p>(e) Upon the issuance of the Put Option Exercise Notice by the relevant Debenture Holder(s), the Issuer shall on the Exercise Date, redeem the relevant Debentures by crediting to the beneficiary account of the relevant Debenture Holder, the Outstanding Principal Amount together with all accrued Coupon amounts, Increased Costs, and additional amounts, if any, which shall be borne by the Issuer in respect of the Debentures.</p> <p>(f) The Issuer shall also pay interest at the rate of 15% (Fifteen Percent) per annum for the period of delay in making payment of the Outstanding Principal Amount together with all accrued Coupon amounts, Increased Costs, and additional amounts, if any, which shall be borne by the Issuer in respect of the Debentures, on the Exercise Date if any of the Debenture Holders have exercised the Put Option and any other period of delay, if any, as per the terms of and in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.</p> <p>(g) If any of the Debenture Holders have exercised the Put Option, then after the completion of exercise of such right of Put Option, the Issuer shall submit the report to BSE and inform the Debenture Trustee and the Depositories, in the manner and upon the terms and conditions as set out in the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.</p> <p>(h) For the avoidance of doubt, it is hereby clarified that notwithstanding the obligations required to be fulfilled by the Issuer under this provision including under (b), (c), (f) and (g) above, the right of any Debenture</p>

	Holder and/or all the Debenture Holder(s) to issue the Put Option Exercise Notice and exercise the Put Option on the Exercise Date in accordance with the terms of this provision shall be available independently and shall not be affected by the non-performance of any such obligations of the Issuer.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	<p>(a) The Issuer shall on the Exercise Date have the right to redeem the Debentures, in full or in part, by exercising the Call Option.</p> <p>(b) The Issuer shall send a notice to the Debenture Holder(s) in writing (with a copy marked to the Debenture Trustee) at least 21 (Twenty One) calendar days prior to the commencement of the Exercise Period, communicating either (i) the intent of the Issuer to exercise the Call Option on the Exercise Date or (ii) the intent of the Issuer not to exercise the Call Option on the Exercise Date (“Call Option Notice”).</p> <p>(c) The Issuer shall, to the extent required by Applicable Law(s), also provide a copy of the Call Option Notice to BSE and shall, to the extent required by Applicable Law(s), publish the Call Option Notice in an English national daily and regional daily having wide circulation at the place where the registered office of the Issuer is situated, indicating the details of such rights, including the Exercise Date, and whether the Issuer intends to or does not intend to, exercise the Call Option on the Exercise Date.</p> <p>(d) Upon the issuance of the Call Option Notice by the Issuer and if the Issuer has in the Call Option Notice indicated its intention to exercise the Call Option on the Exercise Date, the Issuer shall on the Exercise Date, redeem the Debentures by crediting to the beneficiary account of the Debenture Holder(s), the Outstanding Principal Amount together with all accrued Coupon amounts, Increased Costs, and additional amounts, if any, which shall be borne by the Issuer in respect of the Debentures.</p> <p>(e) The Issuer shall also pay interest at the rate of 15% (Fifteen Percent) per annum for the period of delay in making payment of the Outstanding Principal Amount together with all accrued Coupon amounts, Increased Costs, and additional amounts, if any, which shall be borne by the Issuer in respect of the Debentures on the Exercise Date if the Issuer has exercised its Call Option and any other period of delay, if any, as per the terms of and in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.</p> <p>(f) If the Issuer has exercised its right of Call Option, then after the completion of such exercise of the right of Call Option, the Issuer shall submit the report to BSE and inform the Debenture Trustee and the Depositories, in the manner and upon the terms and conditions as set out in the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.</p>
Face Value	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture
Minimum Application and in multiple	The minimum application size for the Issue shall be 10 (ten) Debentures and in multiples of 1 (one) Debenture(s) thereafter.

thereafter	
Issue Timing	<p>Issue Opening Date: July 28, 2022 Issue Closing Date: July 28, 2022 Date of earliest closing of the Issue, if any: N.A Pay-in Date: July 28, 2022 Deemed Date of Allotment: July 28, 2022</p> <p>All documentation including, but not limited to, this Placement Memorandum, Board Resolution, Rating Letter, Rating Rationale along with detailed press release, Appointment of Debenture Trustee to be completed 1 (One) calendar days prior to Issue Opening Date unless otherwise specified.</p>
Settlement mode of the Instrument	RTGS
Depositories	NSDL and CDSL
Disclosure of Interest / Dividend / Redemption Dates	On the dates set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention).
Record Date	The date being 15 (Fifteen) calendar days prior to the due date on which any Payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>Representations and Warranties</p> <p>Please refer Section 7.2 of this Placement Memorandum.</p> <p>Affirmative Covenants</p> <p>Please refer Section 7.3.1 of this Placement Memorandum.</p> <p>Negative Covenants</p> <p>Please refer Section 7.3.2 of this Placement Memorandum.</p> <p>Reporting Covenants</p> <p>Please refer Section 7.3.3 of this Placement Memorandum.</p> <p>Financial Covenants</p> <p>Please refer Section 7.3.4 of this Placement Memorandum.</p>
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation /	<p>SECURITY</p> <p>(a) The Debentures shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to deed of hypothecation ("Deed of Hypothecation") over the property comprising of the specified Receivables (as defined in the Deed of Hypothecation) hypothecated in favour of the Debenture Trustee ("Hypothecated Property") which shall be 1.05 (one decimal zero five) times ("Security Cover") to the aggregate of the Outstanding Principal</p>

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<p>mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.</p>	<p>Amount of the Debentures and the outstanding Coupon of the Debentures until all the redemption of the principal amounts, Coupon, the remuneration of the Debenture Trustee, and all costs, charges, expenses and other monies payable by the Issuer in respect of the Debentures ("Secured Obligations") are satisfied by the Issuer as more particularly described in the Deed of Hypothecation ("Security"). It is clarified that the Security Cover shall be sufficient to cover the principal amount and coupon amounts outstanding under the Debentures at all times. The Issuer shall be bound to create the Security on or prior to the Deemed Date of Allotment.</p> <p>(b) The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:</p> <ul style="list-style-type: none">(i) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Property;(ii) All the movable assets that have been charged in favour of the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to this Security shall be kept in proper condition and adequately insured and shall pay all taxes, cesses, insurance premium with the Hypothecated Property within the time permissible under applicable law and shall be dealt with only under the directions of the Debenture Trustee and the Issuer shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this Security and shall not sell, transfer, lease or otherwise dispose of in any manner whatsoever any assets constituting the Hypothecated Property and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof;(iii) To maintain at all times, during the period of the Issue, the Security Cover. The value of the Hypothecated Property for this purpose (both for initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer;(iv) The Issuer shall create the Security over the Hypothecated Property by executing a duly stamped Deed of Hypothecation on or prior to the Deemed Date of Allotment;(v) The Issuer shall register and perfect the Security over the Hypothecated Property as contemplated above by filing Form No. CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;(vi) The Issuer shall on a monthly basis, commencing from the Deemed Date of Allotment till the Maturity Date provide a list
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of specific loan receivables / identified book debt to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Monthly Hypothecated Property Report**");

- (vii) From the date of the creation of the Security and until the Maturity Date, the Issuer shall, on the Security Cover being diminished, within 30 (thirty) days of the same, add fresh loan assets to the Hypothecated Property (under the Deed of Hypothecation) such that the Security Cover is maintained in the manner as described in sub-paragraph (iii) above;
- (viii) The Issuer shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the movable assets of the charge from time to time/ Security and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and make, furnish and execute all necessary documents to give effect to this Security;
- (ix) The Issuer shall cooperate with the Debenture Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated Property with the CERSAI, within 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation; and
- (x) The Security shall be a continuing security as described in the Deed of Hypothecation

Specific Disclosures

- (a) **Type of security:** Book debts (i.e., movable assets).
- (b) **Type of charge:** Hypothecation.
- (c) **Date of creation of security/ likely date of creation of security:** On or prior to the Deemed Date of Allotment.
- (d) **Minimum security cover:** 1.05 (one decimal zero five) times the value of the Outstanding Principal Amount of the Debentures and the outstanding Coupon of the Debentures.
- (e) **Revaluation:** N. A.
- (f) **Replacement of security:** As set out in paragraph (vii) above.
- (a) **Interest over and above the coupon rate:** In the case of a delay in the execution of the DTD and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. If, at any time, there shall be an event of

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	<p>Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Event of Default until such Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.</p>
Transaction Documents	<p>Shall be as set out in Section 7.1 below</p>
Conditions Precedent to Disbursement	<p>On or prior to the payment of subscription monies by the Debenture Holder(s) proposing to subscribe to the Debentures:</p> <ul style="list-style-type: none"> (i) The Issuer shall deliver to the Debenture Holders, a certified true copy of the Issuer's constitutional documents, certificate of incorporation and certificate of registration issued by the RBI to the Issuer, as amended up-to-date; (ii) The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the Board of Directors of the Issuer and any resolution of any committee of the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf; (iii) The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the shareholders of the Issuer under section 42 of the Act; (iv) The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the shareholders of the Issuer under section 180(1)(a) and section 180(1)(c) of the Act; (v) Execution by the Issuer of the Debenture Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (vi) The Issuer shall deliver a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming that: <ul style="list-style-type: none"> (A) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles/designation and specimen signatures of such authorised signatories; (B) the Issuer has the necessary power under its constitutional documents to borrow monies by way of the issuance of the Debentures and create security on the assets of the Issuer to secure such Debentures; (C) the issuance of the Debentures and the creation of security over the Hypothecated Property will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded; (D) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person

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	<p>for the issuance of the Debentures and creation of security under the Deed of Hypothecation;</p> <p>(E) the representations and warranties contained in the Transaction Documents are true and correct in all respects as on the Deemed Date of Allotment/the date of the certificate;</p> <p>(F) no Event of Default or potential Event of Default has occurred or is subsisting as at the Deemed Date of Allotment/the date of the certificate; and</p> <p>(G) no Material Adverse Effect has occurred;</p> <p>(vii) The Issuer shall obtain the in-principle approval for listing the Debentures on the WDM segment of the BSE;</p> <p>(viii) The Issuer shall deliver to the Debenture Holder(s), the complete reporting information as may be requested by the Debenture Holder(s);</p> <p>(ix) A near final version of the legal opinion on the capacity of the Issuer to enter into the Transaction Documents and the enforceability of the Transaction Documents to be provided to the Dehenture Holders, and</p> <p>(x) Such other undertaking as may be required from the Issuer.</p>
Conditions Subsequent to Disbursement	<p>(a) Within 30 (Thirty) days from circulation of the Placement Memorandum, the Issuer shall maintain the record with respect to the issuance of the Debentures in Form PAS-5 specified pursuant to sub-rule (3) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the requisite fee with the Registrar of Companies;</p> <p>(b) Within 4 (Four) Business Days from the date of closure of the issue for the Debentures, the Issuer shall complete the listing of the Debentures on the WDM segment of the Bombay Stock Exchange (BSE) and list the Debentures on the BSE;</p> <p>(c) On or prior to the utilisation of the subscription monies by the Issuer in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Issuer shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies;</p> <p>(d) Within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall file Form CHG-9 with the applicable Registrar of Companies for the perfection of Security;</p> <p>(e) Within 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall share the evidence with the Debenture Holder(s) in respect of the registration of Security by the Issuer over the Hypothecated Property with the CERSAI; and</p>

	<p>(f) Within 45 (Forty five) calendar days from the Deemed Date of Allotment, the Issuer shall provide an executed legal opinion on the capacity of the Issuer to enter into the Transaction Documents and the enforceability of the Transaction Documents to be provided to the Debenture Holders.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>Events of Default</p> <p>(i) PAYMENT DEFAULT</p> <p>The Issuer does not pay on the due date any amount payable pursuant to the Debenture Trust Deed (whether at scheduled maturity, by acceleration as a result of Debenture Holder(s) exercising the Put Option or otherwise) at the place at which and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 7 (Seven) calendar days of its due date.</p> <p>(ii) BREACH OF TERMS OF THE DEBENTURE TRUST DEED</p> <p>Except for the event contained in paragraph (i) (<i>Payment Default</i>) above, the Issuer defaults in the performance of any of its representations, obligations and covenants provided in terms of the Debenture Trust Deed and/or Transaction Documents and such default has continued for a period of 30 (Thirty) calendar days from the earlier of the date when (a) the Issuer has obtained actual knowledge thereof or (b) the Debenture Trustee has notified the Issuer of such failure.</p> <p>(iii) CESSATION OF BUSINESS</p> <p>The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.</p> <p>(iv) SECURITY</p> <p>(a) When the Issuer creates or attempts to create any charge on the Hypothecated Property or any part thereof or attempts to sell, transfer, lease or otherwise dispose of in any manner whatsoever any assets constituting the Hypothecated Property without the prior approval of the Debenture Trustee / Debenture Holders or the Security Cover is not maintained by the Issuer;</p> <p>(b) In the opinion of the Debenture Trustee acting on the instructions of the Majority Debenture Holders, the Security offered for the Debentures is in jeopardy.</p> <p>(v) WINDING UP</p> <p>An order has been made by a judicial authority or a special / effective resolution is passed by the members of the Issuer for winding up of the Issuer.</p> <p>(vi) INSOLVENCY / INABILITY TO PAY DEBTS</p>

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	<p>The Issuer admits in writing its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness or any corporate action, legal proceedings or other procedure or step or action is taken by any person (whether a financial creditor or an operational creditor or otherwise) or authority including a Governmental Authority (including but not limited to, the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution), in relation to an insolvency resolution process under the provisions of IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Issuer.</p> <p>(vii) APPLICABLE LAW</p> <p>The Issuer defaults or is in non-compliance with any Applicable Law, to which the Issuer is subject to.</p> <p>(viii) MISREPRESENTATION</p> <p>Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holder(s) by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.</p> <p>(ix) MATERIAL ADVERSE CHANGE</p> <p>There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) calendar days.</p> <p>(x) CROSS DEFAULT</p> <p>If the Issuer, in regards to any Financial Indebtedness (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.</p> <p>(xi) LIQUIDATION OR DISSOLUTION OF THE ISSUER / APPOINTMENT OF RECEIVER OR LIQUIDATOR</p> <p>Any corporate action, legal proceedings or other procedure or step is</p>
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taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
- (b) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;
- (d) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or
- (e) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in (a), (b), (c) and (d) above.

(xii) **CREDITORS' PROCESS**

Any expropriation, attachment, sequestration, distress or execution affects any Assets of the Issuer having an aggregate value of 5% (Five Percent) of the Total Assets of the Issuer and is not discharged within 30 (Thirty) calendar days or as given in the said order.

(xiii) **JUDGMENT DEFAULTS**

One or more judgments or decrees shall be entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (Five Percent) of the Total Assets of the Issuer and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 30 (Thirty) calendar days.

(xiv) **TRANSACTION DOCUMENTS**

The Debenture Trust Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.

(xv) **UNLAWFULNESS**

It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.

(xvi) **REPUDIATION**

The Issuer repudiates any of the Transaction Documents or evidence

an intention to repudiate any of the Transaction Documents.

(xvii) **SECURITY COVER**

- (a) The value of the Hypothecated Property is insufficient to maintain the Security Cover and the Issuer fails to maintain the Security Cover within the stipulated timelines in the Deed of Hypothecation; or
- (b) Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable; or

(xviii) **EXPROPRIATION, NATIONALIZATION ETC.**

Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations.

(xix) **DELISTING OF DEBENTURES**

The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holders.

(xx) **DEFAULT IN LISTING**

The Issuer fails to list the Debentures on the Wholesale Debt Market (WDM) segment of the BSE within a period of 4 (four) Business Days from the date of closure of the issue for the Debentures.

Consequences and Remedies/Manner of voting

On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Issuer is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holders, (a) upon the expiry of the cure period provided to the Issuer, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed to cure period, the Debenture Trustee shall if so directed by the Majority Debenture Holder(s):

- (a) declare that all or part of the Secured Obligations be immediately due and payable, whereupon they shall become immediately due and payable;

	<p>(b) accelerate the redemption of the Debentures;</p> <p>(c) enforce the charge over the Hypothecated Property in accordance with the terms of the Deed of Hypothecation including the utilisation of the Recovery Expense Fund thereof in accordance with the SEBI REF Circular;</p> <p>(d) take any actions in respect of the SEBI Defaults (Procedure) Circular in accordance with the provisions of the Debenture Trust Deed; and</p> <p>(e) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law.</p> <p>The manner of voting shall be more particularly set out in the Debenture Trust Deed.</p> <p>In addition to the foregoing, in accordance with the SEBI Defaults (Procedure) Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with the SEBI Defaults (Procedure) Circular.</p>
<p>Creation of recovery expense fund</p>	<p>Details and purpose of the recovery expense fund</p> <p>(a) The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular.</p> <p>(b) The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents.</p> <p>(c) The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents.</p> <p>(d) On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.</p>
<p>Conditions for breach of covenants (as specified in the Debenture Trust Deed)</p>	<p>Please refer sections named "Default Interest Rate" and "Events of Default".</p>

<p>Provisions related to Cross Default Clause</p>	<p>The following is an Event of Default.</p> <p>If the Issuer, in regards to any Financial Indebtedness (a) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (c) due to any default or an event of default, any Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>(i) The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise;</p> <p>(ii) The Debenture Trustee shall be at liberty to keep these presents at their registered office or elsewhere or if the Debenture Trustee so decide with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors, provided however that the Debenture Trustee shall be responsible for any loss incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;</p> <p>(iii) Save as herein otherwise expressly provided, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;</p> <p>(iv) The Debenture Trustee shall, on a quarterly basis, carry out the necessary due diligence and monitor the Security Cover in the manner as specified by SEBI from time to time.</p> <p>(v) The Debenture Trustee shall on a half-yearly basis, obtain a certificate from the statutory auditor of the Issuer giving the value of receivables / book debts comprising the Hypothecated Property including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and certifying maintenance of the Security Cover as per the terms of the Placement Memorandum and/or the Transaction Documents along with the half-yearly financial results of the Issuer.</p> <p>(vi) With a view to facilitating any dealing under any provisions of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;</p>

	<p>(vii) The Debenture Trustee shall not be responsible for the monies paid by applicants for the Debentures;</p> <p>(viii) The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested hereunder;</p> <p>(ix) The Debenture Trustee shall forward to the Debenture Holder(s), copies of any information, documents from the Issuer pursuant to the Debenture Trust Deed within 2 (two) days of receiving the same from the Issuer;</p> <p>(x) The Debenture Trustee shall be entitled to exercise all its powers and rights available to it under the Transaction Documents;</p> <p>(xi) The Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular;</p> <p>(xii) The Debenture Trustee hereby agrees and covenants to comply with the requirements prescribed under the SEBI DLT Monitoring Circular; and</p> <p>(xiii) The Debenture Trustee shall ensure the implementation of the conditions regarding creation of security for the Debentures, if any, including in relation to debenture redemption reserve and recovery expense fund, as may be prescribed by SEBI from time to time.</p> <p>PROVIDED that nothing contained herein shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for gross negligence, wilful default or breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.</p> <p>Please also refer to Annexure VIII of this Placement Memorandum for the terms and conditions of the debenture trustee agreement.</p>
<p>Risk factors pertaining to the issue</p>	<p>Please refer to Section 3 (<i>Risk Factors</i>) of this Placement Memorandum</p>
<p>Governing Law and Jurisdiction</p>	<p>(a) The Debentures and the Transaction Documents shall be governed by and construed in accordance with applicable Indian law.</p> <p>(b) The courts and tribunals in New Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Transaction Documents may be brought in such courts or the tribunals and the issuer irrevocably</p>

	<p>submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.</p> <p>(c) Nothing contained herein, shall limit any right of the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.</p>
Additional Disclosures (Security Creation)	In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Additional Disclosures (Default in Payment)	If, at any time, there shall be a Payment Default or an Event of Default, the Issuer agrees to pay an additional interest rate of 2% (Two Percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable
Additional Disclosures (Delay in Listing)	In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on " <i>Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i> " (as amended and modified from time to time), the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 4 (four) Business Days from the date of closure of the issue for the Debentures, the Issuer (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of allotment of the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Specific disclosures requested by custodians: Declarations	The Issuer confirms that the purchase consideration in respect of the Debentures will not be used for real estate business, capital market and purchase of land and shall comply with all end-use restrictions under applicable law. In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017, Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019.

Specific disclosures requested by custodians: Eligible Investors	The following categories of investors are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form: (a) foreign portfolio investors registered with the SEBI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 or the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; and (b) any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.
Specific disclosures requested by custodians: Banking details for payment of the application money	The subscription amounts on the Debentures should be paid into the account specified in Section 8.13.

Note:

1. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
4. The Issuer shall provide granular disclosures in this Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter:** NIL
- (B) **The year in which the entity is declared as a Wilful Defaulter:** N.A
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** N.A
- (D) **Name of the entity declared as a Wilful Defaulter:** N.A
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters:** N.A
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** N.A
- (G) **Any other disclosure as specified by SEBI:** N.A

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

The Issuer makes the representations and warranties set out in this Section 7.2 to the Debenture Trustee on behalf of the Debenture Holder(s) and the same shall also be set out in the Transaction Documents:

(a) **STATUS:**

- (i) It is a company, duly incorporated, registered and validly existing under the Applicable Law of India.
- (ii) As on date, the Issuer is registered with the Reserve Bank of India as a non-banking financial company.
- (iii) It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) **BINDING OBLIGATIONS:**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) **NON-CONFLICT WITH OTHER OBLIGATIONS:**

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions;
- (ii) its constitutional documents; or

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- (iii) any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Issuer.

(d) **POWER AND AUTHORITY:**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(e) **VALIDITY AND ADMISSIBILITY IN EVIDENCE:**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
 - (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
 - (iii) for it to carry on its business, and which are material,
- have been obtained or effected and are in full force and effect.

(f) **NO DEFAULT:**

No Event of Default or potential Event of Default has currently occurred and is continuing as of the date hereof or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. To the best of the Issuer's knowledge, no other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its assets or which might have a Material Adverse Effect as on the date hereof.

(g) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other unsecured creditors, except for obligations mandatorily preferred by law applying to companies generally.

(h) **NO PROCEEDINGS PENDING:**

There are no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency, which if adversely determined may have a Material Adverse Effect, which have (to the best of its knowledge and belief) been started against it except as disclosed by the Issuer in its annual reports, financial statements, the Placement Memorandum, the Private Placement Offer cum Application Letter(s) and as provided in the Debenture Trust Deed.

(i) **NO MISLEADING INFORMATION:**

All information provided by the Issuer to the Debenture Holder(s) for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) on which it is stated.

(j) COMPLIANCE:

It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(k) ASSETS:

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN: U65921DL1993PTC283660 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) FINANCIAL STATEMENTS:

- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2022 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(m) SOLVENCY:

- (i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into the Debenture Trust Deed.
- (ii) The value of the Assets of the Issuer is more than its respective Liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (iii) As on the date hereof, the Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(n) NATURE OF REPRESENTATIONS AND WARRANTIES

The Issuer hereby expressly represents and warrants that each of the representations and warranties set out hereinabove is true and accurate as on the date of the Debenture Trust Deed and shall continue to be true and accurate on each day until the Maturity Date, and nothing contained in the said representations and warranties is / will be misleading or designed to create an inaccurate, incomplete or false picture.

7.3 COVENANTS OF THE ISSUER

7.3.1. AFFIRMATIVE COVENANTS

The Issuer undertakes and agrees that until the Final Settlement Date of the Debentures, it

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shall:

(a) **UTILISATION OF PROCEEDS OF DEBENTURES**

Utilize the monies received upon subscription to the Debentures solely towards the Purpose, as mentioned in the Debenture Trust Deed and procure and furnish to the Debenture Trustee, a certificate from the Issuer's statutory auditors (as may be required under Applicable Law) in respect of the utilisation of funds raised through the Issue at the end of the financial year.

(b) **LISTING**

Take all steps necessary to get the Debentures listed within 4 (Four) Business Days from the date of closure of the issue for the Debentures.

Without prejudice to the below and at the option of the Debenture Holder(s), in the event that the Debentures are not listed within 4 (Four) Business Days from the date of closure of the issue for the Debentures for any reason whatsoever, then to the extent that any Debenture Holder(s) are foreign institutional investors or sub-accounts of foreign institutional investors or qualified foreign investors, or foreign portfolio investors, the Issuer undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the listing period.

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer confirms that in case of a delay by the Issuer in listing the Debentures beyond 4 (Four) Business Days from the date of closure of the issue for the Debentures, the Issuer shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 4 (Four) Business Days from the date of allotment of the Debentures till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent 2 (two) privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.

(c) **COSTS AND EXPENSES**

(i) Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holder(s)' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures and shall not include any foreign travel costs.

(ii) Any increase in withholding taxes after the Deemed Date of Allotment will be borne by the Issuer.

(d) **PAY STAMP DUTY**

Pay all such stamp duty (including any additional stamp duty), other duties, taxes,

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charges and penalties, if and when the Issuer may be required to pay according to the laws for the time being in force in the state where the Transaction Documents are executed, and in relation to the Debentures and in the event of the Issuer failing to pay such stamp duty, other duties, taxes, cesses and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Issuer shall reimburse the same to the Debenture Trustee on demand.

(e) **MAKE THE RELEVANT FILINGS WITH THE REGISTRAR OF COMPANIES/SEBI**

Pursuant to the provisions of the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein with the Registrar of Companies and/or SEBI within the timelines stipulated thereunder.

(f) **FURNISH INFORMATION TO DEBENTURE TRUSTEE**

The Issuer shall furnish quarterly report (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline below) to the Debenture Trustee (as may be required in accordance with SEBI guidelines) containing the following particulars –

- (i) Periodical status/performance reports from the Issuer within 7 (Seven) calendar days of the relevant board meeting or within 45 (Forty Five) calendar days of the respective quarter, whichever is earlier.
 - (ii) Updated list of the names and addresses of the Debenture Holders.
 - (iii) Details of the Coupon due, but unpaid and reasons thereof.
 - (iv) The number and nature of grievances received from the Debenture Holders and (a) resolved by the Issuer (b) unresolved by the Issuer and the reasons for the same.
 - (v) A statement that the Hypothecated Property is sufficient to discharge the claims of the Debenture Holders as and when they become due.
- (g) Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.
- (h) Inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'Control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and/or any significant change in the composition of its Board of Directors.
- (i) Inform the Debenture Trustee of any significant changes in the composition of its Board of Directors.
- (j) The Issuer shall furnish to the Debenture Trustee a certificate from the Issuer's statutory auditors in respect of the utilization of funds raised under the Issue at the end of each financial year.
- (k) The Issuer shall submit a certificate from its statutory auditor to the Debenture Trustee on a half-yearly basis, giving the value of receivables / book debts comprising the Hypothecated Properties including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and certifying maintenance of hundred percent asset / security cover of a

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higher asset cover/security cover (in this case being the Security Cover) as per the terms of the Placement Memorandum and/or the Debenture Trust Deed along with the financial results of the Issuer in the manner and format as specified by SEBI.

- (l) Notify the Debenture Trustee in writing, of any proposed change in the nature or conduct or scope of the business or operations of the Issuer, prior to the date on which such action is proposed to be given effect.
- (m) Inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting or likely to affect the Security and/or the Hypothecated Property.
- (n) Inform the Debenture Trustee promptly of any amalgamation, merger or reconstruction scheme proposed by the Issuer.
- (o) The Issuer shall submit to the Debenture Trustee, such information as may be required by the Debenture Trustee from time to time.

(p) **TRANSFER OF UNCLAIMED REDEMPTION AMOUNTS**

The Issuer shall comply with the provisions of the Act relating to transfer of unclaimed / unpaid amounts of Coupon on Debentures and redemption of Debentures to the Investor Education and Protection Fund (IEPF), if applicable to it.

(q) **FURTHER ASSURANCES**

The Issuer shall:

- (i) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it lawfully to enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;
- (iii) ensure that the Debentures are rated by the Rating Agency and continue to be rated by the Rating Agency during the tenure of the Debentures;
- (iv) comply with all Applicable Law (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

- (v) without prejudice to (d) above, comply with the requirements prescribed

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under the SEBI DLT Monitoring Circular.

(r) **SECURITY**

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Property;
- (ii) All the movable assets that have been charged in favour of the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to this Security and shall be kept in proper condition and adequately insured and shall pay all taxes, cesses, insurance premium with the Hypothecated Property within the time permissible under Applicable Laws and shall be dealt with only under the directions of the Debenture Trustee and the Issuer shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this Security and shall not sell, transfer, lease or otherwise dispose of in any manner whatsoever any assets constituting the Hypothecated Property and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof;
- (iii) To maintain at all times, during the period of the Issue, the Security Cover. The value of the Hypothecated Property for this purpose (both for initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer;
- (iv) The Issuer shall create the Security over the Hypothecated Property by executing a duly stamped Deed of Hypothecation on or prior to the Deemed Date of Allotment.
- (v) The Issuer shall register and perfect the Security over the Hypothecated Property as contemplated above by filing Form No. CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;
- (vi) The Issuer shall on a monthly basis, commencing from the Deemed Date of Allotment till the Maturity Date provide a list of specific loan receivables / identified book debt to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Monthly Hypothecated Property Report**");
- (vii) From the date of the creation of the Security and until the Maturity Date, the Issuer shall, on the Security Cover being diminished, within 30 (thirty) days of the same, add fresh loan assets to the Hypothecated Property (under the Deed of Hypothecation) such that the Security Cover is maintained in the manner as described in sub-paragraph (iii) above;

(viii) The Issuer shall, on a half yearly basis, as also whenever required by the

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Debenture Trustee, give full particulars to the Debenture Trustee of all the movable assets of the charge from time to time/ Security and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and make, furnish and execute all necessary documents to give effect to this Security;

- (ix) The Issuer shall cooperate with the Debenture Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated Property with the CERSAI, within 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation;
- (x) The Security shall be a continuing security as described in the Deed of Hypothecation;
- (xi) Nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders.

(s) **FILINGS; COMPLIANCE WITH BSE REQUIREMENTS**

- (i) The Issuer shall comply with the relevant provisions of the LODR Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021) applicable to listed entities which have listed their non-convertible securities, including (to the extent applicable), the provisions of Chapter II (*Principles governing disclosures and obligations of listed entity*), Chapter III (*Common obligations of listed entities*), Chapter IV (*Obligations of a listed entity which has listed its specified securities and non-convertible debt securities*), and Chapter V (*Obligations of listed entity which has listed its non-convertible securities*) of the LODR Regulations.
- (ii) The Issuer will provide all assistance to the Debenture Trustee, as may be required by it, to carry out the necessary due diligence and monitor the asset cover/security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with the SEBI Monitoring Circular, the Issuer undertakes and agrees to provide all relevant documents/ information, as applicable, to enable the Debenture Trustee to submit the following reports/ certification to BSE:
 - A. an asset cover/security cover certificate on a quarterly basis, within 60 (sixty) days from the end of each financial quarter in the format prescribed in the SEBI Monitoring Circular;
 - B. (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within 60 (sixty) days from the end of each financial quarter;
 - C. (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 60 (sixty) days from the end of each financial quarter;
 - D. (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a

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half yearly basis, within 60 (sixty) days from the end of each financial half-year;

- E. (to the extent applicable) the financials/value of guarantor prepared on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each financial year; and
- F. (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, on an annual basis, within 75 (seventy five) days from the end of each financial year.
- (iii) The Issuer will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as prescribed under Annex - XIV-B of Chapter XIV (*Centralized Database for corporate bonds/ debentures*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), in such format as may be prescribed by the BSE.
- (iv) The Issuer will provide/fill all such information as prescribed in Annex - XIV-A of Chapter XIV (*Centralized Database for corporate bonds/ debentures*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time) at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures.
- (v) The Issuer will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Placement Memorandum in such manner as may be specified by SEBI from time to time.
- (vi) The Issuer will provide such assistance as may be required by the Debenture Trustee to, prior to the creation of charge to secure the Debentures, exercise independent due diligence to ensure that such security is free from any encumbrance or that the necessary consent(s) from other charge-holders (if applicable) have been obtained in the manner as may be specified by the SEBI from time to time.
- (t) Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Issuer shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.
- (u) The Security created by the Issuer in favour of the Debenture Trustee under the terms of the Deed of Hypothecation shall be enforceable upon the occurrence of an Event of Default.
- (v) The Issuer is aware that in terms of Regulation 14 of the SEBI (Debenture Trustee)

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Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Issuer hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable to it as if they are actually and physically incorporated in the Debenture Trust Deed.

(w) NOTICE OF WINDING UP OR OTHER LEGAL PROCESS

Promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act, or any other notice under any other act relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer and affecting or likely to affect the charged assets and the title to the properties of the Issuer or if a receiver is appointed in respect of any of its properties or businesses or undertakings.

(x) LOSS OR DAMAGE BY UNCOVERED RISKS

Promptly inform the Debenture Trustee of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties.

(y) ANTI-MONEY LAUNDERING AND EXCLUSION LIST

(i) Not permit any of the Issue proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

(ii) Not permit any of the Issue proceeds to be used to fund any activity on the Exclusion List.

(z) PRESERVE CORPORATE STATUS

Diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business.

(aa) LISTING REQUIREMENTS

Inform and provide the Debenture Trustee with applicable documents in respect of any and all information required to be provided to the Debenture Holders under the listing agreement entered/ to be entered into between the Issuer and the stock exchange on which the Debentures are proposed to be listed.

(bb) TRANSPARENCY

The Issuer shall ensure that it fully complies with consumer protection principles, practices and requirements laid down by the RBI and other statutory bodies. In cases where such consumer protection related regulation or law does not exist, is not applicable to the Issuer or cannot be considered satisfactory vis-à-vis with guidelines provided

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by Universal Standards for Social Performance Management (USSPM), the Issuer shall endorse and operationally apply client protection principles (which shall include but not be limited to principles such as safeguarding and fair treatment of clients and an enabling organisation and culture) developed by any reputable standard. The Issuer shall ensure that it is fully transparent in the pricing, terms and conditions of all financial products. The Issuer shall employ respectful collection practices and adopt high ethical standards in the treatment of clients.

- (cc) The Issuer undertakes and agrees to comply with the requirements of IFC Performance Standard 1 and IFC Performance Standard 2 in the conduct of its operations.
- (dd) The Issuer undertakes to prepare, appraise, and implement practices in respect of the provision of Client Loans which are aligned with IFC Performance Standards, EHS Guidelines and the ILO Fundamental Conventions.
- (ee) The Issuer shall ensure that its non-retail borrowers have contractual obligations to comply with Applicable Law and the ILO Fundamental Conventions.
- (ff) The Issuer shall monitor its compliance being 10% (Ten Percent) to 20% (Twenty Percent) of new loans / offer letters on an annual basis, with Applicable Law and ILO Fundamental Conventions.
- (gg) The Issuer shall maintain the required “know your customer” and anti-money laundering policies, procedures and controls (“**AML/KYC Policies**”).

7.3.2. NEGATIVE COVENANTS

Without the prior written permission of the Debenture Trustee, the Issuer shall not take any action in relation to the items set out in this Section 7.3.2. The Debenture Trustee shall give its prior written approval/dissent within 15 (Fifteen) Business Days after having received a request to give its approval provided such request is accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious decision. The Debenture Trustee shall take the consent of the Majority Debenture Holders prior to any such approval/dissent.

(a) NO ENCUMBRANCE ON ASSETS

The Issuer shall not create any further charge or encumbrance over the Hypothecated Property, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Deed of Hypothecation.

(b) DIVIDEND, DISTRIBUTION ETC.

Declare or pay any dividend, make a cash distribution or pay any other consideration to its shareholders (other than dividends or cash distributions payable in shares of the Issuer) during any financial year unless: (i) the Issuer has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures; (ii) the proposed payment or distribution is made from positive retained earnings of the Issuer (excluding any amount resulting from the revaluation of any of the Issuer’s assets) earned from the previous financial year for which such dividend or distributions were declared; (iii) so long as no Event of Default or potential Event of Default exists or is continuing; and (iv) after giving effect to any such action, the Issuer is in compliance with the financial covenants set out in Section 7.3.4 herein below.

(c) **CHANGE OF BUSINESS**

Change the general nature and conduct of its business from that which is permitted under the directions issued by the RBI with respect to 'Non-Banking Financial Company' including the NBFC Directions.

(d) **CONSTITUTIONAL DOCUMENTS**

Change its articles of incorporation or organizational documents in any material way which would prejudicially affect the interests of the Debenture Holder(s).

(e) **MERGER, CONSOLIDATION, ETC.**

Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(f) **CHANGE OF CONTROL**

Issue any additional shares or equity interests and/or shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in the owners or holders of such existing shares and equity interests having less than 80% (Eighty Percent) of the total voting power and economic interests in the Issuer.

If the written consent of the Debenture Trustee / the Majority Debenture Holders, is withheld for the proposed change of control, the Issuer, upon the instructions of the Debenture Trustee shall redeem the Debentures forthwith within 45 (Forty Five) calendar days of receiving such written instructions from the Debenture Trustee, and the Issuer shall pay a penalty of 2% (Two Percent) on the Outstanding Principal Amount to the Debenture Holder(s). Provided that any action arising out of such change of control, will be taken in accordance with the extant RBI regulations.

(g) **DISPOSAL OF ASSETS**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Issuer, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Issuer in its ordinary course of business.

(h) **SAFEGUARD VIOLATION**

The Issuer shall not commit or engage in, any Safeguarding Violation. The Issuer shall maintain internal policies and procedures to ensure that neither it nor any of its directors, employees nor any person acting on its behalf, engages in any Safeguarding Violation and to ensure the confidentiality and safety of any victim of, or witness to, any Safeguarding Violation.

(i) **AML COMPLIANCES**

The Issuer shall not commit any acts of fraud, Corruption, tax evasion, money laundering, terrorist financing, sanctions, breaches or more generally, illegal practices.

11.1 REPORTING COVENANTS

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The Issuer shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee and to the Debenture Holder(s), each of the following items:

- (a) The Issuer agrees that it shall forward to the Debenture Trustee and to the Debenture Holder(s) promptly, whether a request for the same has been made or not:
 - (i) a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - (ii) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders / holders of debt securities; and
 - (iii) a copy of all the notices, call letters, circulars, proceedings, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- (b) The Issuer will permit the Debenture Trustee and/or the Debenture Holder(s) to examine the relevant books and records of the Issuer and to discuss the affairs, finances and accounts of the Issuer with, and be advised in respect of the same by, officers and independent accountants of the Issuer upon reasonable prior notice and at such reasonable times and intervals as the Debenture Trustee and/or the Debenture Holder(s) may reasonably request.
- (c) The Issuer shall provide or cause to be provided to the Debenture Trustee and/or the Debenture Holder(s), in form and substance reasonably satisfactory to the Debenture Trustee and/or the Debenture Holder(s) respectively, such additional documents or information as the Debenture Trustee and/or the Debenture Holder(s) may reasonably request from time to time in relation to the Issue.
- (d) The Issuer hereby covenants and undertakes that it shall within 60 (Sixty) calendar days from the end of each financial quarter, submit to the Debenture Trustee, an asset cover/security cover certificate in respect of the Hypothecated Property in the applicable format prescribed under Annexure A of the SEBI Monitoring Circular to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law.
- (e) As soon as available and in any event within 20 (Twenty) calendar days after the end of each calendar month, the monthly reporting (*in a format which shall be provided by the Debenture Holders from time to time*) required by the Debenture Holder(s) being such information relevant to the Issue, in form and substance satisfactory to the Debenture Trustee.
- (f) As soon as available and in any event within 20 (Twenty) calendar days after the end of each quarterly reporting period of the Issuer, the quarterly reporting (*in a format which shall be provided by the Debenture Holders from time to time*) required by the Debenture Holder(s) being information relevant to the Issue, which shall be in form and substance satisfactory to the Debenture Trustee.
- (g) As soon as available and in any event within 30 (Thirty) calendar days after the end of each fiscal year of the Issuer, the annual reporting (*in a format which shall be provided by the Debenture Holders from time to time*) required by the Debenture

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Holder(s) being information relevant to the Issue, which shall be in form and substance satisfactory to the Debenture Trustee.

- (h) As soon as available and in any event within 30 (Thirty) calendar days after any change in the shareholding structure of the Issuer, an updated report reflecting the changes with respect to all of the Issuer's beneficial owners, as appropriate.
- (i) As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each fiscal year of the Issuer:
 - (i) certified copies of its audited standalone and consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with generally accepted accounting principles in its jurisdiction including its balance sheet, income statement, statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flows of the Issuer as of the date thereof;
 - (ii) a certificate of the chief financial officer of the Issuer confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;
 - (iii) a complete list comprising all material financial liabilities of the Issuer whether absolute or contingent; and
 - (iv) such additional information or documents as the Debenture Trustee and/or the Debenture Holder(s) may reasonably request.
- (j) As soon as practicable, and in any event within 5 (Five) Business Days after the Issuer obtains or reasonably should have obtained, actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
- (k) As soon as practicable, and in any event within 5 (Five) Business Days after the Issuer knew or received or should have known thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.
- (l) As soon as practicable, and in any event within 1 (One) Business Day, upon the Issuer having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Issuer under the IBC.
- (m) As soon as practicable, and in any event within 5 (Five) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of a potential Event of Default and the notice of occurrence of any event which constitutes an Event of Default specifying the nature of such event and in each case, any steps the Issuer is taking and proposes to take to remedy the same.
- (n) As soon as practicable, and in any event within 5 (Five) Business Days after such prepayment, notice of any prepayment of any Financial Indebtedness of the Issuer.
- (o) On or prior to the 20th (Twentieth) day of each month a report certifying the calculation of financial covenant ratios set forth in Section 7.3.4 (Financial Covenants) below for the prior month.

- (p) The Issuer hereby irrevocably agrees and acknowledges that the Debenture Trustee shall have the sole discretion to determine whether an event, as contemplated in Section 5.37 (*Events of Default*) of this Placement Memorandum, constitutes an Event of Default, under the Debenture Trust Deed and such decision shall be final and binding upon the Issuer.
- (q) As soon as available, and in any event within 20 (Twenty) calendar days after the end of each fiscal quarter of the Issuer certified copies of its unaudited standalone and consolidated (if any) financial statements for its most recently completed fiscal quarter, prepared in accordance with generally accepted accounting principles in its jurisdiction including its balance sheet, income statement, statement of cash flow. All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flows of the Issuer as of the date thereof.
- (r) As soon as available and in any event within 20 (Twenty) calendar days after the end of each calendar month, the Issuer shall submit the monthly reporting of accounts prepared in accordance with generally accepted accounting principles in its jurisdiction including the balance sheet, profit and loss statement and statement of cash flow of the Issuer.
- (s) As soon as available and in any event within 90 (Ninety) calendar days after the end of each financial half-year of the Issuer, the Issuer shall report to the Debenture Holder(s) on the status of its efforts to implement an environmental and social management system in the format provided in **Schedule VIII** (*Environmental Social and Business Integrity Requirements*) of **Part D** of the Debenture Trust Deed.
- (t) As soon as available and in any event within 20 (Twenty) calendar days after the end of each quarterly reporting period of the Issuer, the Issuer shall provide the Debenture Holder(s) a report certifying the micro small and medium enterprises data of the Issuer in the format provided under **Schedule IX** (*MSME Data Report*) of **Part D** of the Debenture Trust Deed or in such other format as the Debenture Holder(s) may provide from time to time.
- (u) As soon as available and in any event within 90 (Ninety) calendar days after the end of each financial year of the Issuer, the Issuer shall provide the Debenture Holder(s) with:
- (i) a summary of the policies of the Issuer prohibiting bribery and other forms of corruption ("**ABC Policy**") and AML/KYC Policies of the Issuer and the names of the personnel responsible for maintaining the compliance programmes of the Issuer;
 - (ii) a description of the oversight measures undertaken to ensure that the ABC Policy and the AML/KYC Policies have been implemented; and
 - (iii) a summary and description of anti-corruption and money laundering or other business integrity compliance lapses (if any) identified, including any corrective or remedial action taken.
- (v) As soon as practicable, and in any event within 3 (Three) Business Days after the Issuer knew or should have known thereof, notify the Debenture Holder(s) in writing upon the occurrence of any event which results in non-compliance with any

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requirements under Section A of **Schedule VII (Exclusion List)** of **Part D** of the Debenture Trust Deed or any international economic sanctions, laws and regulations.

- (w) As soon as practicable, and in any event within 3 (Three) Business Days after the Issuer knew or should have known thereof, notify the Debenture Holder(s) in writing upon the occurrence of any event which results in a material effect on the environment, a material breach of the ABC Policy or AML/KYC Policies or a material breach of law and plans the Issuer has for corrective actions in relation thereto, or any enquiry from a Governmental Authority, international organisation or non-government organisation concerning a suspected breach of law.
- (x) As soon as practicable, and in any event within 3 (Three) Business Days after the Issuer becomes aware of the occurrence of any of the following events, the Issuer shall notify the Debenture Holder(s) in writing of any:
 - (i) Safeguarding Violation;
 - (ii) any other social, labour, health and safety, security or environmental incident, accident or circumstance having, or which could reasonably be expected to have, a Material Adverse Effect on the implementation or operation of the Issuer, specifying in each case the nature of the incident, accident or circumstance and any effect resulting or likely to result therefrom, and the measures the Issuer is taking or plan to take to address them and to prevent any future similar event. The Issuer shall keep the Debenture Holder(s) informed of the on-going implementation of those measures and plans.
- (y) As soon as practicable, and in any event within 3 (Three) Business Days after the Issuer knew or received or should have known thereof, notice of any proceeding against the Issuer in relation to an environmental, social and governance (ESG) issue (including any business integrity issue).
- (z) The Issuer shall provide the Debenture Holder(s) on an annual basis as soon as available and in any event within 90 (Ninety) calendar days after the end of each financial year of the Issuer detailed reporting on:
 - (i) corporate taxes paid by the Issuer;
 - (ii) withholding taxes on cross border transactions paid by the Issuer on behalf of the Debenture Holder(s); and
 - (iii) any taxes paid by or on behalf of the Debenture Holder(s) on capital gains in the country of the Issuer.

7.3.4. FINANCIAL COVENANTS

The Issuer shall:

- (i) at all times maintain the ratio of the sum of (x) Portfolio At Risk over 90 days + Restructured Loans + Net Charge-offs during the last 12 months divided by (y) the Outstanding Gross Loan Portfolio of less than 12% until and including March 31, 2023, and less than 10% thereafter;

For AYE FINANCE PVT. LTD.
Authorized Signatory

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- (ii) at all times maintain the ratio of the sum of (x) Portfolio At Risk over 90 days + Restructured Loans - Loan Loss Reserves divided by (y) the Tier I Capital, of less than 15%;
- (iii) at all times maintain a Capital Adequacy Ratio (CAR) ratio, calculated according to the Capital Adequacy Standards as established by RBI, of no less than 17%;
- (iv) at all times maintain the Return on Assets (ROA) ratio over the last twelve months of greater than -2% until and including December 31, 2022, and greater than 0% thereafter; and
- (v) at all times maintain the sum of the (x) Absolute Value of the Net Open Foreign Currency Position aggregate for all currencies divided by (y) Equity of less than 50%.

The detailed calculation of this ratio must be as follows:

[absolute value (Foreign Currency 1 assets – Foreign Currency 1 liabilities + off balance sheet hedges in Foreign Currency 1)
+
absolute value (Foreign Currency 2 assets – Foreign Currency 2 liabilities + off balance sheet hedges in Foreign Currency 2)
+
absolute value (Foreign Currency 3 assets – Foreign Currency 3 liabilities + off balance sheet hedges in Foreign Currency 3)
+
etc. for each Foreign Currency]

divided by Equity.

7.4 EVENTS OF DEFAULT

Please refer Section 5.37 (*Issue Details*) of this Placement Memorandum.

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

Please refer Section 5.37 (*Issue Details*) of this Placement Memorandum.

**Please note that the capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.*

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as the debenture trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The

Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

8.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to potential investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date through RTGS to the following account:

Beneficiary Name	AYE FINANCE PRIVATE LIMITED
Bank Account No.	50200024731473
SWIFT Code	HDFCINBB
IFSC Code	HDFC0003906
Bank Name	HDFC Bank Ltd
Branch Address	Vipul Square Centre, Sushant Lok-I, Gurgaon

8.14 Eligible Investors

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

- (a) Mutual Funds
- (b) NBFCs
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Institutional Investors (FIIs)
- (g) Qualified Foreign Investors (QFIs)
- (h) Foreign Portfolio Investors (FPIs)
- (i) Insurance Companies
- (j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory

requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Powers of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize

such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

If the Principal Payment Date/ Coupon Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. If the Maturity Date / Redemption Date (including the last Coupon Payment Date and the last Principal Payment Date) or the due date in respect of liquidated damages and all other monies payable under the Debenture Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

8.25 Tax Deduction at Source

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holder(s), the Issuer must give written notice to the Debenture Holder(s) as soon as it becomes aware of such change.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holder(s), the Issuer shall pay to the Debenture Holder(s) an additional amount so that the net amount received by the Debenture Holder(s) shall equal the amount which it would have received had the rate of the tax deducted at source remained unchanged as on the date of this Placement Memorandum.

For the sake of clarity, the Coupon Rate as on the date of this Placement Memorandum is 11.1569% (eleven decimal one five six nine percent) per annum, net of withholding taxes. At the prevailing tax rate, the gross Coupon Rate inclusive of withholding taxes would be 11.8469% (eleven decimal eight four six nine percent) per annum.

8.26 Letters of Allotment

N. A. In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on April 13, 2022) on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" (as amended and modified from time to time), the Issuer shall ensure that the Debentures are credited into the demat accounts of the Debenture Holders of the Debentures within 2 (two) Business Days from the Deemed Date of Allotment.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is July 28, 2022 by which date the Investors would be intimated of allotment.

8.28 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

The Issuer hereby agrees and covenants that it shall pay interest on application money in respect of the Debentures at the Coupon Rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) will be paid on application money to the applicants from the date of realization of the monies up to 1 (One) day prior to the Deemed Date of Allotment for all valid applications, within 7 (Seven) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the refund orders. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on the application will be refunded to the applicant and the cheque towards interest on the refunded money will be dispatched by registered post, courier or by way of RTGS / NEFT / Direct Credit. Details of allotment will be sent to every successful applicant. In all cases, the interest instruments will be sent, at the sole risk of the applicant / first applicant.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 9: UNDERTAKING

(1) UNDERTAKINGS IN RELATION TO THE ISSUER BEING ELIGIBLE UNDER THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes and confirms that the following (as set out in Regulation 5 of the SEBI ILNCS Regulations) are not applicable to the Issuer as on the date of this Placement Memorandum:

- (a) the Issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board;
- (b) any of the promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;
- (c) the Issuer or any of its promoters or directors is a wilful defaulter;
- (d) any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter;
- (e) any of its promoters or directors is a fugitive economic offender; or
- (f) any fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the Issuer at the time of filing this Offer Document.

(2) UNDERTAKING ON CREATION OF SECURITY PURSUANT TO REGULATION 48(2) OF THE SEBI ILNCS REGULATIONS

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

(3) UNDERTAKING PURSUANT TO PARAGRAPH 2.3.24 of SCHEDULE II OF THE SEBI ILNCS REGULATIONS

The Issuer undertakes and states as follows:

- (a) investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 23 under the section 'GENERAL RISKS AND RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES';
- (b) the Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such

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information or the expression of any such opinions or intentions misleading in any material respect; and

- (c) the Issuer has no side letter with any debt securities holder except the one(s) disclosed in this Offer Document/Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

(4) **DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**

- (a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising receivables from loans provided by the Issuer.

- (b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer. The details of the underlying loan agreements will be set out in the Deed of Hypothecation.

- (c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

- (d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

- (e) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system: Not Applicable**

- (f) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.: N. A.**

- (g) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security: Not applicable.**

- (h) **Declaration:** The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the

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debenture trustee.

- (i) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):** Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.
- (j) **Details of security to be created:** Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.37 (*Issue Details*).
- (k) **Process of due diligence carried out by the debenture trustee:** The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*". The due diligence broadly includes the following:
 - (i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.
 - (ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.
 - (iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Due Diligence Circular) as per the nature of security provided by the Issuer in respect of the Debentures.
 - (iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Placement Memorandum, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

- (l) **Due diligence certificate as per the format specified in Annexure A:** Enclosed as Annexure VII.
- (m) **Due diligence certificate as per the format specified in Schedule IV of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible**

Securities) Regulations, 2021: Enclosed as Annexure VII.

(5) OTHER UNDERTAKINGS

The Issuer hereby confirms that:

- (a) the Issuer is eligible and in compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, to make the private placement of debt instruments;
- (b) (to the extent applicable) the Issuer or its promoters or whole-time directors are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009;
- (c) neither the Issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (ss) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
- (d) the Issuer, its promoters, its directors are not in violation of the restrictions imposed by SEBI under SEBI circular no. SEBI/HO/ MRD/DSA/CIR/P/2017/92 dated August 01, 2017.

For AMPLIFANCE PRIVATE LIMITED



Name: Mr. Sanjay Sharma
Title: Managing Director
Place: Delhi
Date: July 20, 2022

SECTION 10: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

*Addressed to: Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF (AfrAsia Sub-fund) represented by BlueOrchard Invest S.à r.l
Serial No: 1*

**FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER
("PPOA")**

[Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures each having a face value of Rs. 10,00,000/- (Rupees Ten Lakh) of the aggregate nominal value of Rs. 31,00,00,000/- (Rupees Thirty One Crore) on a private placement basis (the "Issue").

10.1 General Information:

- (a) **Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company: Aye Finance Private Limited (the "Issuer", "Company" or "Aye Finance")
Registered Office: M-5, Magnum House-I, Community Centre, Karampura New Delhi West Delhi DI 110015, India
Corporate Office: Unit No. -701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Block B, Greenwood City, Gurgaon Haryana, 122003
Telephone No.: 0124-4844000
Website: <https://ayefin.com/>
Fax: -
Contact Person: Mr. Mayank Thatte
Email: finance@ayefin.com

- (b) **Date of Incorporation of the Company:**

August 12, 1993

- (c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

The Issuer is a Delhi based non-banking financial company ("NBFC"). The promoters acquired "Doda Finance P Ltd" in January, 2014 and started lending operations in April, 2014 setting up its first branch in New Delhi. The promoter hold 9.40% of the shares in the company.

The Issuer has identified a niche segment between the target customer group currently being catered to by microfinance institutions and NBFCs. Here, the issuer looks to cater to the

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

'micro' segment in the MSME industry, where funding requirements are primarily for working capital and expansion of business. The Issuer follows a 'cluster approach'. The Issuer first identifies a potential industry cluster in a particular city/town based on a deep market research, conducting detailed interviews to draw out insights. Currently, the Issuer has identified the following clusters- shoe-making in Delhi and Agra, readymade garments in Delhi, lock-making in Aligarh, sports goods in Meerut, gems jewellery in Jaipur, Bangles in Firozabad, Powerloom in Yelahanka, Woodwork and handicraft in Channapatna etc.

As on the date of this PPOA, Aye Finance has 312 branches and extension counters.

As on the date of this PPOA, Aye Finance has only one wholly -owned subsidiary. **Foundation for Advancement of Micro Enterprises (FAME)** is a wholly owned Section 8 subsidiary company of Aye Finance and helps in carrying out on CSR Activities of the Company.

Branch details:

As of the date of this Placement Memorandum/PPOA, the Company has 312 branches.

Subsidiary details:

As of the date of this Placement Memorandum, the Company has one wholly owned subsidiary as follows:

Name: Foundation for Advancement of Micro Enterprises (FAME)

Place: Gurgaon

(d) **Brief particulars of the management of the Company:**

Name	Designation	Experience
Samir Mehta	Deputy CEO	<p>As Deputy CEO, Samir leads the Distribution, Customer Services, Product and Operations functions. He is responsible for expanding our business and deploying strategies that enhance our organizational performance and capability.</p> <p>Samir has over 25 years of diverse and rich experience in Sales, Product Management, Marketing, Credit & Risk and Collections with leading Banks & NBFCs like ICICI Bank, ABN AMRO Bank, Bajaj Finance & Hero Fincorp.</p> <p>He served as the Chief Business Officer at Hero Fincorp, where set up and led the Corporate Finance Businesses spanning across Retail and Corporate Assets. He managed Business Loans, Professional Loans, Supply Chain Finance, Loan Against Property, Construction Finance, Medical Equipment Financing, SME financing, Mid Market & Local Corporate Financing, FIG Financing, Education Infra Financing.</p>

THE AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

		<p>He is an IIM Lucknow alumnus and is an Electrical Engineer from NIT – Kurukshetra. He is also a Certified International Credit Professional from NACM-USA.</p>
Ujual George	Chief Risk Officer	<p>As the Chief Risk Officer, Ujual is responsible for strengthening the risk management capabilities and driving operational transformation. At Aye Finance he brings in a comprehensive perspective on all the risks that are faced by the Company and directs our efforts towards having policies, systems, and processes to address these.</p> <p>He has held various leadership positions in his career of over 25 years in banking and financial services. He has deep expertise in driving enterprise-wide change programs, setting up and scaling up operations, customer experience management and risk management. At RBL Bank, he served on the Management Committee and led the transformation agenda of the organization. He has been associated with leading financial services institutions like Barclays Bank, Abu Dhabi Commercial Bank, ICICI and HSBC in various leadership roles.</p> <p>Ujual is an alumnus of Indian Institute of Management Bangalore and is a BSc in Physics.</p>
Mayank Thatte	Chief Finance Officer	<p>As the Chief Financial Officer, Mayank is responsible for leading corporate finance, treasury, and accounting functions of the organization and strengthening the financial and regulatory reporting. He carries the responsibilities for financial control to ensure optimal cost-benefit outcomes for the organization.</p> <p>He has two decades of experience with financial services institutions like Tata Motors Finance, Tata Capital, ICICI Bank, Asirvad Microfinance Limited and Electronica Finance Limited, in various leadership roles. His expertise lies in the retail assets finance domain and spans Treasury, Financial Controllership, Business Strategies, Compliance and Product Risk Management.</p> <p>Mayank is a Chartered Accountant (ICAI) and holds a Masters in Commerce from Pune University.</p>
Niraj Kumar Kaushik	Chief Credit Officer	<p>Niraj has 24 years of experience in the banking & financial services space. He has worked with organizations like Religare, Bajaj Finance, ABM Amro bank, ICICI Bank and L&T. His experience spans across diverse areas like Risk, Credit, Sales and Product functions for secured (ABF & mortgage loans) and unsecured (BL & Professional Loans) portfolios. He has managed structured credit line to MSME, Micro Finance Institution (MFI), NBFC, Educational Institute (EDI), Commercial Real Estate (CRE), Mining and construction segments for bank as well as NBFCs, covering retail and</p>

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		<p>large ticket customers. One of his impact areas is development and implementation of Application score card and digital ecosystem (Digital Support System) for retail secured as well as unsecured loan underwriting. Niraj is married to Dr. Reena Sharma and is blessed with two Son, Atharv and Parth. Niraj has done Advance Diploma in Business management from IMT Ghaziabad and Engineering from REC, Jaipur.</p>
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(e) **Name, addresses, Director Identification Number (DIN) and occupations of the directors:**

S. No.	Name	Designation	DIN	Address	Occupation
1	Sanjay Sharma	Managing Director	03337545	504/21, Heritage City, M.G. Road, DLF Phase-II, Gurgaon Haryana-122008	Service
2	Vivek Kumar Mathur	Director	03581311	D-151, Westend Heights, DLF Phase-V, Gurgaon-122009, Haryana	Service
3	Navin Kumar Maini	Independent Director	00419921	B-74, 1st Floor, Defence Colony, New Delhi-110024, Delhi	Independent Consultant
4	Kanika Tandon Bhal	Independent Director	06944916	68, Vikramshila Apartments, IIT Campus, New Delhi, Delhi 110016	Service (Teaching & research)
5	Sumiran Das	Director	0008357729	1254, Taylor Street, Apartment 5, San Fransisco, California, USA	Director
6	Navroz Darius Udwardia	Director	0008355220	Flat No. 3, 14 Vicrage Gate, London, W84AG, UK	Director
7	Vinay Baijal	Independent Director	07516339	701, LodhaGranduer, Sayani Road, opposite ST bus	Consultant

				depot, Prabha Devi, Mumbai - 400025	
8	Kartik Srivatsa	Director	03559152	3rd Floor, # 5, 12th Block, 5th Main, Kumara Park-West, Bangalore-560 020, Karnataka, India	Self-employed
9	Kaushik Anand Kalyana Krishnan	Director	07719742	B603 Ashok Gardens, T J Road, Sewri, Mumbai, Maharashtra-400015	Service

10.2 MANAGEMENT PERCEPTION OF RISK FACTORS:

Please refer to Section 3 of this Placement Memorandum.

10.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of this Placement Memorandum.

10.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loan from any bank or financial institution and interest thereon: Nil

10.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:

Name: Ms. Tripti Pandey
Designation: Company Secretary
Address: Unit No. -701-711, 7th Floor, Unitech Commercial Tower-2, Sector-45, Arya Samaj Road, Block B, Greenwood City, Gurgaon Haryana, 122003
Phone No.: 0124-4844000
Email: finance@ayefin.com

10.6 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

None

10.7 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer CHAPTER A of this Private Placement Offer from Application Letter.
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Date of passing of Board Resolution	Board resolution dated May 26, 2022.
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated October 12, 2021 and under Section 180(1)(c) of the Companies Act, 2013 dated October 9, 2020.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	310 (three hundred and ten) secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 10,00,000 (Rupees Ten Lakh) each, aggregating up to Rs. 31,00,00,000/- (Rupees Thirty One Crore) on a private placement basis (the "Issue").
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to 'Eligible Investors' under Section 8.14 of the Placement Memorandum.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on July 28, 2022 (" Deemed Date of Allotment "), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures (" Debenture Holders ") within 2 (two) Business Days from the Deemed Date of Allotment, each in accordance with the debenture trust deed (" DTD ") to be entered into between the Company and the debenture trustee (" Debenture Trustee "). In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money, as prescribed under the Companies Act, 2013.
The names of the proposed allottees and the percentage of post private placement capital	Not applicable as the Debentures are non-convertible debt instruments.

that may be held by them [Not applicable in case of issue of non-convertible debentures]							
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.						
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	The company has made no allotment on preferential basis/private placement/rights issue during financial year 2022-2023.						
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.						
Amount, which the Company intends to raise by way of proposed offer of securities	Up to Rs. 31,00,00,000 (Rupees Thirty One Crore)						
Terms of raising of securities:	<table border="1"> <tr> <td data-bbox="703 869 933 1218">Duration, if applicable:</td> <td data-bbox="933 869 1394 1218">60 (sixty) months from the Deemed Date of Allotment subject to the Put Option or the Call Option. The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of this Placement Memorandum.</td> </tr> <tr> <td data-bbox="703 1218 933 1760">Rate of Interest or Coupon:</td> <td data-bbox="933 1218 1394 1760">11.1569% (eleven decimal one five six nine percent) per annum, net of withholding taxes, payable semi-annually until the Coupon Reset Date. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate shall, in the absence of an agreement on the Coupon Rate between the Debenture Holder(s) and the Issuer, continue to be 11.1569% (eleven decimal one five six nine percent), net of withholding taxes. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent).</td> </tr> <tr> <td data-bbox="703 1760 933 1951">Mode of Payment</td> <td data-bbox="933 1760 1394 1951">Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer shall be paid into the account details set out</td> </tr> </table>	Duration, if applicable:	60 (sixty) months from the Deemed Date of Allotment subject to the Put Option or the Call Option. The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of this Placement Memorandum.	Rate of Interest or Coupon:	11.1569% (eleven decimal one five six nine percent) per annum, net of withholding taxes, payable semi-annually until the Coupon Reset Date. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate shall, in the absence of an agreement on the Coupon Rate between the Debenture Holder(s) and the Issuer, continue to be 11.1569% (eleven decimal one five six nine percent), net of withholding taxes. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent).	Mode of Payment	Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer shall be paid into the account details set out
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Mode of Payment	Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer shall be paid into the account details set out						

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		in Section 8.9 of this Placement Memorandum.			
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer			
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Open Date: July 28, 2022 Issue Closing Date: July 28, 2022 Pay-in Date: July 28, 2022 Deemed Date of Allotment: July 28, 2022				
Purpose and objects of the Issue/Offer	To raise debt to the extent up to Rs. 31,00,00,000 (Rupees Thirty One Crore) and 100% (One Hundred Percent) of the issue proceeds will be utilized for enabling the Issuer to continue operations and address the impact of COVID-19 pandemic on the Issuer's operations and portfolio and to enable the Issuer to provide access to liquidity for its micro, small and medium enterprise (MSME) clients.				
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil.				
Principal terms of assets charged as security, if applicable	Please refer section named " <i>Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)</i> " in Section 5.37 (<i>Issue Details</i>) of this Placement Memorandum.				
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	Nil				
The pre-issue and post-issue shareholding pattern of the Company in the following format:					
S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage (%) of shareholding	No. of Shares held	% of share holding
A	Promoters' holding				
	Indian				

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1	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub-total	-	-	-	-
2	Foreign promoters	-	-	-	-
	Sub-total (A)	-	-	-	-
B	Non-promoters' holding				
1.	Institutional Investors	-	-	-	-
2.	Non-Institutional Investors	-	-	-	-
	Private Corporate Bodies including Foreign Companies	2,82,25,698	91.01	2,82,25,698	91.01
	Directors and relatives	12,41,715	4.01	12,41,715	4.01
	Indian public	9,02,741	2.91	9,02,741	2.91
	Others (including Non-resident Indians and Non-Promotor- Non Public shareholding)	6,42,794	2.07	6,42,794	2.07
	Sub-total (B)	3,10,12,948	100%	3,10,12,948	100%
	GRAND TOTAL	3,10,12,948	100%	3,10,12,948	100%

<p>Specific disclosures generally requested by custodians: Declarations</p>	<p>The Issuer confirms that the purchase consideration in respect of the Debentures will not be used for real estate business, capital market and purchase of land and shall comply with all end-use restrictions under applicable law. In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017, Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019.</p>
<p>Specific disclosures generally requested by custodians: Eligible Investors</p>	<p>The following categories of investors are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form:</p> <p>(i) FPIs, and</p>

	(b) N. A.
Specific disclosures generally requested by custodians: Banking details for payment of the application money	The subscription amounts on the Debentures should be paid into the account details set out in this Placement Memorandum issued by the Issuer.

10.8 Mode of payment for subscription:

- () Cheque
() Demand Draft
(x) Other Banking Channels

10.9 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	Nil	
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Nil	
Remuneration of directors (during the current year and last 3 (three) financial years)	Name of the Director	Remuneration
	2022-23 - Current Year	
	Sanjay Sharma	INR 2.75 crores
	2021-22	
	Sanjay Sharma	INR 2.5 crores
	2020-21 (Audited)	
	Sanjay Sharma	INR 1.25 crores
	2019-2020 (Audited)	
Sanjay Sharma	INR 1.55 cores	
Vikram Jetley	INR 1.53 crores	

Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Please refer CHAPTER C of this Private Placement Offer cum Application Letter.
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	Nil
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries	Nil
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Nil

10.10 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Share Capital	No. of Securities	Amount (in Rs)
		Authorised	
	Equity Share Capital	55,00,000 equity shares	5,50,00,000
	Preference Share Capital	2,91,00,000 preference shares	2,9,10,00,000
	TOTAL	3,46,00,000	34,60,00,000
	Issued Capital		
	Equity Share Capital	48,30,500 equity shares	4,83,05,000
	Preference Share Capital	2,61,82,448 preference shares	26,18,24,480
	TOTAL	3,10,12,948	31,01,29,480
	Subscribed and Fully Paid-up		
	Equity Share Capital	48,30,500 equity shares	4,83,05,000
	Less: amount recoverable from ESOP Trust (face value of 560,294 shares of INR 10 each held by trust)	(5,60,294)	(5,602,940)
	Preference Share Capital	2,61,82,448 preference shares	26,18,24,480
	TOTAL	3,04,52,654	30,45,26,540
Size of the Present Offer	INR 31,00,00,000 (Rupees Thirty One Crore)		
Paid-up Capital:			
a. After the offer:	INR 30,45,26,540/-		
b. After the conversion of convertible instruments (if applicable)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.		
Share Premium Account:			
a. Before the offer:	INR 659.41 crores		
b. After the offer:	INR 659.31 crores		
Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:			
Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares allotted	Total percentage (%) of Shareholding
1.	Sanjay Sharma	9,79,750	3.16
2.	Vikram Jetley	6,31,000	2.03
3.	Shankh Corporation LLP	8,49,625	2.74
4.	Shvet Corporation LLP	8,49,625	2.74

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5.	Sumant Misra	57,750	0.19		
6.	Deepa Pandit	66,000	0.21		
7.	Umesh Kumar Gupta and Gitika Gupta (Joint Holders)	82,500	0.27		
8.	Ashok Prabhakar Nadkarni	82,500	0.27		
9.	A91 Emerging Fund I LLP	65	0.00		
10.	SAIF Partners India V Limited	53,677	0.17		
11.	Aye Finance Employee Welfare Trust	5,60,294	1.81		
12.	LGT Capital Invest Mauritius PCC with Cell E/VP	33,093	0.11		
13.	CapitalG LP	100	0.00		
14.	Namrata Sharma	261,965	0.84		
15.	Harleen Kaur Jetley	65,491	0.21		
16.	MAJ Invest Financial Inclusion Fund II K/S	86,215	0.28		
17.	Falcon Edge India I LP	1,70,850	0.55		
	Total	48,30,500	15.58		
Sr. No.	Name of the Shareholder / Particulars	Total Number of Preference shares	Total percentage (%) of Shareholding		
1.	A91 Emerging Fund I LLP	3,200,565	10.32		
2.	SAIF Partners India V Limited	6,159,852	19.86		
3.	LGT Capital Invest Mauritius PCC with Cell E/VP	5,390,925	17.38		
4.	CapitalG LP	3,937,237	12.70		
5.	Capital G International LLC	1,156,897	3.73		
5.	MAJ Invest Financial Inclusion Fund II K/S	2,204,985	7.11		
6.	Falcon Edge India I LP	4,131,987	13.32		
	Total	26,182,448	84.42		
Date wise allotment, number of shares allotted, face value of shares allotted, price and form of consideration.					
Sr. No.	Date of Allotment	No. of Shares allotted	Face value of shares (INR)	Issue Price	Form of Consideration
1.	12-08-1993	3,000*	INR 100/-	INR 100/-	Cash
2.	10-02-2000	27,000*	INR 100/-	INR 100/-	Cash
3.	31-03-2014	5,65,000	INR 10/-	INR 10/-	Cash
4.	03-07-2014	16,35,000	INR 10/-	INR 10/-	Cash
5.	21-08-2014	10,00,000	INR 10/-	INR 10/-	Cash
6.	12-12-2014	13,30,000	INR 10/-	INR 12/-	Cash
7.	20-02-2015	20,68,964	INR 10/-	INR 29.000021/-	Cash
8.	14-08-2015	8,80,718	INR 10/-	INR 68.1262/-	Cash
9.	21-12-2015	13,35,756	INR 10/-	INR 68.1262/-	Cash
10.	25-04-2016	7,19,252	INR 10/-	INR 68.1262/-	Cash
11.	28-11-2016	65,56,460	INR 10/-	INR 106.7649/-	Cash
12.	19-06-2018	57,36,809	INR 10/-	INR 256.24/-	Cash
13.	06-03-2019	54,75,189	INR 10/-	INR 426.70/-	Cash
14.	15-07-2020	34,09,800	INR 10/-	INR 615.87/-	Cash

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<p>The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case</p>	<p>Nil</p>												
<p>Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter</p>	<table border="1"> <thead> <tr> <th>FY</th> <th>PBT (in Rs. Cr)</th> <th>PAT (in Rs. Cr)</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>(67.41)</td> <td>(45.72)</td> </tr> <tr> <td>2020-21</td> <td>23.27</td> <td>16.87</td> </tr> <tr> <td>2019-20</td> <td>39.95</td> <td>32.41</td> </tr> </tbody> </table>	FY	PBT (in Rs. Cr)	PAT (in Rs. Cr)	2021-22	(67.41)	(45.72)	2020-21	23.27	16.87	2019-20	39.95	32.41
FY	PBT (in Rs. Cr)	PAT (in Rs. Cr)											
2021-22	(67.41)	(45.72)											
2020-21	23.27	16.87											
2019-20	39.95	32.41											
<p>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</p>	<p>No dividend has been declared by the Issuer till the date of this private placement offer and application letter.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Interest Coverage Ratio</td> <td>0.57</td> <td>0.88</td> <td>0.78</td> </tr> </tbody> </table>	Year	2022	2021	2020	Interest Coverage Ratio	0.57	0.88	0.78				
Year	2022	2021	2020										
Interest Coverage Ratio	0.57	0.88	0.78										
<p>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter</p>	<p>Please refer CHAPTER A of this Private Placement Offer cum Application Letter.</p>												
<p>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter</p>	<p>Please refer CHAPTER B of this Private Placement Offer cum Application Letter.</p>												
<p>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</p>	<p>Nil</p>												

PRIVATE FINANCE PVT. LTD.

Authorized Signatory

1/11

10.11 PART B (To be filed by the Applicant)

- (i) Name: **Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF (AfrAsia Sub-fund) represented by its general partner BlueOrchard Invest S.à r.l.**;
- (ii) Father's name: N/A;
- (iii) Director name: Annemarie Arens, Elisabeth Sherk, Maria Teresa Zappia;
- (iv) Complete Address including Flat / House Number, Street, Locality, Pin Code: 31, rue Z.A. Bourmicht, L-8070, Bertrange, Grand Duchy of Luxembourg;
- (v) Phone number; if any: +995 32 290 71 66
- (vi) Email ID, if any: operations@blueorchard.com
- (vii) PAN Number: AAQFC1927Q; and
- (viii) Bank Account details:

Bank Name	Citibank N.A, Mumbai
SWIFT Code	CITIINBX
IFSC Code	CITI0100000
Address:	Branch: Fort Branch, Mumbai – 400 001
Account number	0023155028

(ix) **Tick whichever is applicable:-**

- (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.- ;
- (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- .

Signature

Initial of the Officer of the Company designated to keep the record

10.12 DECLARATION (To be provided by the Directors)

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- C. the monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Company *vide* resolution number 08 dated May 26, 2022 to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **ASHTARANG PRIVATE LIMITED**



Name: **Manoj Kumar Sharma**
Title: Managing Director
Date: July 20, 2022

Enclosed

Chapter A - A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter

Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter

Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided

Optional Attachments, if any

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Registered office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015

Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com

Statement of audited assets and liabilities as at March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	152.84	179.45
Bank balances other than cash and cash equivalents	224.22	168.00
Loans	1,687.71	1,500.77
Investments	155.11	198.17
Other financial assets	7.09	16.52
Total financial assets	2,226.97	2,062.90
Non-financial assets		
Current tax assets (net)	8.63	0.38
Deferred tax assets (net)	47.33	31.60
Property, plant and equipment	4.78	5.31
Right of use assets	20.58	20.37
Capital work in progress	0.06	0.02
Intangible assets	1.37	1.56
Other non-financial assets	6.34	4.86
Total non-financial assets	89.29	64.09
Total assets	2,316.26	2,126.99
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	3.88	1.79
Debt securities	922.23	945.44
Borrowings (other than debt securities)	598.51	368.88
Lease liabilities	23.35	22.70
Other financial liabilities	32.78	6.04
Total financial liabilities	1,580.76	1,344.85
Non-financial liabilities		
Provisions	23.14	22.94
Other non-financial liabilities	6.35	12.50
Total non-financial liabilities	29.49	35.44
EQUITY		
Equity share capital	30.45	30.45
Other equity	675.56	716.25
Total equity	706.01	746.70
Total liabilities and equity	2,316.26	2,126.99

For and on behalf of the Board of Directors of
Aye Finance Private Limited

Place: Gurugram
Date: May 26, 2022

SANJAY SHARMA
Managing Director

Sanjay Sharma
Managing Director
DIN: 03337545

AYE FINANCE PVT. LTD.
Authorized Signatory

(1)

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)


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

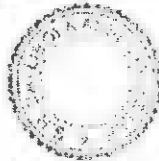
Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	191.60	172.18
Bank balance other than cash and cash equivalents	4	167.17	56.68
Derivative financial instruments	5	-	3.28
Loans	6	1,500.76	1,716.82
Investments	7	198.17	6.88
Other financial assets	8	16.68	1.64
Non-Financial Assets			
Current tax assets (net)	9	0.37	1.03
Deferred tax Assets (net)	10	31.61	29.32
Property, plant and equipment	11	5.31	5.78
Right of use assets	49	20.37	11.53
Capital work-in-progress		0.01	1.21
Other intangible assets	12	1.56	0.49
Other non financial assets	13	4.88	5.18
Total Assets		2,138.49	2,012.02
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Debt securities	14	1,028.42	1,179.43
Borrowings (other than debt securities)	15	297.28	273.07
Lease liability	49	22.70	12.11
Derivative financial instruments	16	1.79	-
Other financial liabilities	17	5.81	6.22
Non-Financial Liabilities			
Provisions	18	22.93	17.76
Other non-financial liabilities	19	12.86	8.72
EQUITY			
Share Capital	20	30.45	27.04
Other Equity	21	716.25	489.67
Total Liabilities and Equity		2,138.49	2,012.02

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

In terms of our report attached

For: S.R. Batliboi & Associates LLP
Chartered Accountants
LLP registration number: 101949W/E300004


Amit Kanta
Partner
M No: 054522



Place: Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors



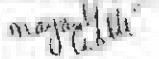
Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: June 25, 2021

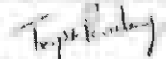


Vikram Jetley
Director
DIN: 06530212

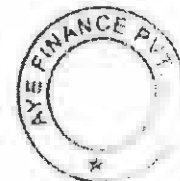
Place: Gurugram
Date: June 25, 2021


Mayank Thotte
Chief Financial Officer

Place: Pune
Date: June 25, 2021


Tripti Pandey
Company Secretary
M No: 52760

Place: Gurugram
Date: June 25, 2021



For AYE FINANCE PVT. LTD

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Balance Sheet as at March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	3	172.15	140.43	11.22
Bank balance other than cash and cash equivalents	4	55.99	25.84	16.60
Derivative financial instruments	5	3.28	-	-
Loans	6	1,685.32	1,002.57	440.82
Investments	7	0.25	68.41	40.82
Other financial assets	8	40.82	23.19	8.20
Non-Financial Assets				
Current tax assets (Net)	9	1.03	-	0.84
Deferred tax Assets (Net)	10	29.32	13.10	8.59
Property, plant and equipment	11	5.78	3.19	2.28
Right of use assets	50	11.53	5.60	3.56
Capital work-in-progress		1.21	0.09	1.17
Other intangible assets	12	0.49	0.95	0.02
Other non-financial assets	13	4.84	6.01	1.30
Total Assets		2,012.01	1,289.29	535.42
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	14	0.54	0.66	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	15.83	9.99	4.10
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	15	861.15	475.05	230.47
Borrowings (other than debt securities)	16	527.86	280.09	204.38
Lease liability	50	12.11	5.71	3.40
Other financial liabilities	17	63.49	23.90	12.38
Non-Financial Liabilities				
Current tax liabilities (Net)	18	-	4.65	-
Provisions	19	7.62	3.99	2.04
Other non-financial liabilities	20	6.72	4.62	2.09
EQUITY				
Share Capital	21	27.04	27.04	15.83
Other Equity	22	489.67	454.19	60.72
Total Liabilities and Equity		2,012.01	1,289.29	535.42
Significant accounting policies	2			
See accompanying notes forming part of these financial statements.	3-59			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27
19:25:05 +05'30'

Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA
Digitally signed by SANJAY SHARMA
Date: 2020.07.27
19:27:42 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY
Digitally signed by VIKRAM JETLEY
Date: 2020.07.27
19:27:42 +05'30'

Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY
Digitally signed by TRIPTI PANDEY
Date: 2020.07.27
19:27:42 +05'30'

Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA
Digitally signed by ASHISH SHARMA
Date: 2020.07.27
19:27:42 +05'30'

Ashish Sharma
Chief Financial Officer

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Ph: 0124484400, Email: corporate@ayefin.com, website: www.ayefin.com
Statement of financial results for the quarter and year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited **	Unaudited	Audited **	Audited	Audited
Revenue from operations					
Interest income	116.41	93.18	72.08	414.39	482.51
Fees and commission income	2.10	2.77	7.40	8.04	8.15
Net gain on fair value changes	3.74	1.58	4.61	8.49	4.51
Total revenue from operations	122.25	97.53	84.09	431.92	495.17
Other income	3.73	4.03	7.84	11.57	4.15
Total income	125.98	101.56	86.93	443.49	499.42
Expenses					
Finance cost	38.58	37.82	45.21	158.55	215.15
Net loss on fair value changes	-	3.73	1.06	2.10	5.08
Impairment on financial instruments	21.61	3.90	(23.72)	121.10	55.06
Employee benefit expenses	50.93	41.20	47.80	175.76	141.44
Depreciation and amortization expense	3.84	1.14	3.61	9.97	9.29
Other expenses	18.58	11.26	8.13	43.42	30.12
Total expenses	131.54	99.07	82.09	510.90	476.14
Profit / (Loss) before tax	(5.95)	2.49	4.84	(67.41)	23.28
Tax expense:					
Current tax	-	-	(8.25)	-	10.15
Tax for earlier years	(5.63)	-	(1.50)	(5.63)	11.50)
Deferred tax	(0.54)	0.43	8.59	(16.06)	(2.76)
Income tax expense	(6.17)	0.43	(1.16)	(21.69)	6.39
Profit / (Loss) for the year / period (A)	0.21	2.06	6.00	(45.72)	16.89
Other comprehensive (loss) / income					
Re-measurement (loss) / income on defined benefit plans	(0.04)	1.91	(0.11)	1.31	(0.13)
Income tax effect		(0.47)	0.07	(0.33)	0.03
Other comprehensive loss (B)	(0.04)	1.44	(0.09)	0.98	(0.10)
Total comprehensive (loss) / income for the year / period (A+B)	0.17	3.50	5.91	(44.74)	16.79
Earnings per equity share					
Basic EPS (Rs.)	0.07	3.13	1.92	(14.74)	5.58
Diluted EPS (Rs.)	0.07	1.12	1.90	(14.74)	5.51
Nominal value	10.00	10.00	10.00	10.00	10.00

** Please refer note 4

* Earnings per share for the interim periods are not annualised

For and on behalf of the Board of Directors of
Aye Finance Private Limited

Place: Gurugram
Date: May 26, 2022

SANJAY SHARMA
Managing Director
DIN: 03337545

For AYE FINANCE PVT. LTD.

Authorized Signatory

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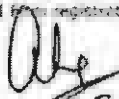
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

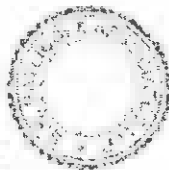
Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Revenue from operations			
Interest Income	22	438.58	392.22
Fees and commission income	23	8.13	9.28
Net gain on fair value changes	24	1.60	10.25
Total Revenue from operations (I)		451.31	411.73
Other Income (II)	25	4.73	1.20
Total Income (III)=(I+II)		456.04	412.93
Expenses			
Finance Costs	26	191.09	140.87
Net loss on fair value changes	27	5.88	-
Impairment on financial assets	28	55.64	65.59
Employee Benefits Expenses	29	141.40	122.61
Depreciation and amortization expense	30	9.29	7.88
Other expenses	31	30.26	36.00
Total Expenses (IV)		432.76	372.94
Profit before tax (V)=(III-IV)		23.28	39.99
Tax Expense: (VI)		6.39	7.54
(1) Current Tax		10.15	23.68
(2) Deferred Tax		(2.26)	(16.14)
(3) Tax for earlier years		(1.50)	0.00
Profit for the year (VII)=(V-VI)		16.89	32.45
Other Comprehensive Loss			
(i) Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		0.13	0.31
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.03)	(0.08)
Other Comprehensive Loss		0.10	0.23
Total Comprehensive Income for the year (Comprising Profit and other comprehensive loss for the year)		16.79	32.22
Earnings per equity share			
Basic (Rs.)	33	5.58	11.74
Diluted (Rs.)	33	5.51	11.59
Nominal value per share (Rs.)		10.00	10.00
Significant accounting policies	2		
See accompanying notes forming part of these financial statements.	3-56		

In terms of our report attached

For **S.R. Batliwal & Associates LLP**
Chartered Accountants
ILAI firm registration number: 101049W/E300004



Amit Kedia
Partner
M. No. 094533



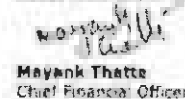
Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors



Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021



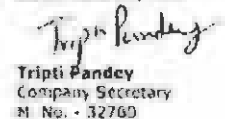
Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021



Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021



Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021



For **AYE FINANCE PVT. LTD.**
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operations			
Interest Income	23	392.22	199.83
Fees and commission income	24	9.25	5.47
Net gain on fair value changes	25	10.25	4.49
Total Revenue from operations (I)		411.73	209.79
Other Income (II)	26	1.20	0.59
Total Income (III)=(I+II)		412.93	210.38
Expenses			
Finance Costs	27	140.87	73.22
Impairment on financial assets	28	65.08	16.33
Employee Benefits Expenses	29	122.62	60.02
Depreciation and amortization	30	7.08	4.98
Other expenses	31	36.52	22.17
Total Expenses (IV)		372.08	176.72
Profit before tax (V)=(III-IV)		39.95	33.66
Tax Expense: (VI)			
(1) Current Tax		7.54	9.64
(2) Deferred Tax		23.68	14.09
(3) Tax for earlier years		(16.14)	(4.46)
		0.00	-
Profit for the year (VII)=(V-VI)		32.41	24.02
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement (gains)/ losses on defined benefit plans		0.31	0.18
(ii) Income tax relating to items that will not be reclassified to profit or loss			
		(0.08)	(0.05)
Other Comprehensive Income		0.23	0.13
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		32.18	23.89
Earnings per equity share (for continuing operations)			
Basic (₹)	33	11.74	11.29
Diluted (₹)	33	11.59	11.18
Significant accounting policies	2		
See accompanying notes forming part of these financial statements.	3-59		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27
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Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA
Digitally signed by SANJAY SHARMA
Date: 2020.07.27
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Sanjay Sharma
Managing Director
DIN: 03337545

TRIPTI PANDEY
Digitally signed by TRIPTI PANDEY
Date: 2020.07.27
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Tripti Pandey
Company Secretary
M. No. - 32760

VIKRAM JETLEY
Digitally signed by VIKRAM JETLEY
Date: 2020.07.27
16:41:38 +05'30'

Vikram Jetley
Director
DIN: 06530212

ASHISH SHARMA
Digitally signed by ASHISH SHARMA
Date: 2020.07.27
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Ashish Sharma
Chief Financial Officer

AYE FINANCE PVT. LTD.
Authorized Signatory

CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Registered office : M 5, Magnum House-1, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com
Statement of Cash Flow for the year ended March 31, 2022

Particulars	(All amounts are in Rs. crores unless otherwise stated)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
(Loss) / Profit before tax	(67.47)	23.28
Adjustments for:		
Depreciation and impairment of PPE and right of use assets	4.52	3.68
Depreciation on right of use assets	5.45	5.61
Unrealised foreign exchange gain	(0.52)	(0.01)
Unrealised loss / (gain) on investments in mutual fund	0.03	(1.61)
Profit on sale of mutual fund units	(8.00)	(2.90)
Other comprehensive income / (loss)	0.98	(0.10)
Impairment of financial instruments	6.22	18.20
Loans and advances written off	113.21	36.86
Loss on settlement	1.67	-
Loss on sale of property, plant and equipment (net)	0.02	-
Expense on employee stock option scheme	4.05	3.23
Expenses for gratuity and leave encashment	3.54	3.02
Interest on leases assets	2.77	1.81
Operating profit before working capital changes	66.53	90.98
Movements in working capital :		
(Increase) in bank balances not considered as cash and cash equivalents	(56.07)	(111.17)
(Increase) / Decrease in loan portfolio	(308.04)	160.99
Decrease / (Increase) in other financial assets	9.42	(14.87)
(Increase) / Decrease in other non financial assets	(1.48)	0.32
Increase / (Decrease) in other financial liabilities (excluding lease liabilities)	26.74	(0.19)
Increase in derivative financial instruments	2.10	5.07
(Decrease) / Increase in other non financial liabilities	(6.15)	5.78
(Decrease) in lease liabilities	(7.78)	(5.67)
(Decrease) / Increase in provisions	(2.03)	2.02
Cash (used in) / generated from operations	(276.76)	133.26
Income taxes paid	(2.49)	(8.03)
Net cash (used in) / generated from operating activities (A)	(279.25)	125.23
Cash flow from investing activities		
Purchase of property, plant and equipment (excluding right of use assets) (Net of sale proceeds)	(5.49)	(5.03)
Purchase of investments	(1,564.77)	(514.97)
Sale of investments	1,615.86	328.28
Net cash generated from / (used in) investing activities (B)	45.60	(189.78)

(Continued)

AYEFIN FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Registered office : M-5, Magnum House I, Community Centre, Karampura, New Delhi, West Delhi DL 110015

Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com

Statement of Cash Flow for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>(Continued)</i>		
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	{0.00}	209.99
Proceeds from issue of debt securities	237.22	162.15
Redemption of debt securities	{264.43}	{396.17}
Proceeds from borrowings (other than debt securities)	415.01	320.42
Repayment of borrowings (other than debt securities)	{184.76}	{224.60}
Net cash generated from financing activities (C)	207.04	71.82
Net (decrease) / increase in cash and cash equivalents (A + B + C)	{26.01}	7.27
Cash and cash equivalents at the beginning of the year	179.45	172.18
Cash and cash equivalents at the end of the year	152.84	179.45
Components of cash and cash equivalents as at the end of period		
Cash in hand	3.27	3.01
Balance with banks - on current account	71.33	56.67
Deposits with original maturity of less than or equal to 3 months	78.24	119.82
Total cash and cash equivalents	152.84	179.45

Note: Previous year figures have been regrouped / reclassified wherever applicable.

For and on behalf of the Board of Directors of
Aye Finance Private Limited

SANJAY SHARMA
Managing Director

Place: Gurugram
Date: May 26, 2022

Sanjay Sharma
Managing Director
DIN: 03337545

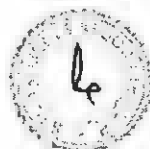
THE AYE FINANCE PVT. LTD.
Authorized Signatory

(M)

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	23.28	39.99
Adjustments for:		
Depreciation and amortization on property, plant and equipment and intangible assets	3.68	3.28
Depreciation on right of use assets	5.61	4.60
Unrealised gain on investments in mutual fund	(1.61)	(3.28)
Unrealised foreign exchange loss	(0.01)	3.19
Gain on sale of investments	(4.60)	(6.97)
Other comprehensive income/ (loss)	(0.10)	(0.23)
Change in the fair value of derivative	5.08	(3.28)
Interest on leases liability	1.81	1.57
(Profit)/Loss on sale of property, plant and equipment	-	0.01
Expense on employee stock option scheme	3.23	3.30
Expenses for gratuity	3.02	2.19
Impairment on financial assets	16.26	46.15
Loans and advances written off	37.44	19.43
Operating Profit/ (Loss) before Working Capital changes	95.03	109.95
Adjustments for changes in Working Capital:		
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(110.50)	(31.62)
(Increase)/ Decrease in loans	160.32	(764.15)
(Increase)/ Decrease in other financial assets	(13.43)	2.59
(Increase)/ Decrease in deferred tax assets (net)	(2.29)	(16.22)
(Increase)/ Decrease in other non-financial assets	0.31	1.05
Increase/ (Decrease) in other financial liabilities	(0.41)	1.78
Increase/ (Decrease) in other non-financial liabilities	6.14	2.10
Increase/ (Decrease) in lease liabilities	(5.67)	(5.70)
Increase/ (Decrease) in provisions	2.15	5.97
Cash Generated From/ (Used in) Operations	131.75	(694.25)
- Taxes (Paid)/ Refunds (Net)	(5.75)	(13.25)
Net Cash Generated From/ (Used) in Operating Activities (A)	126.00	(707.50)



AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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


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

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

See accompanying notes forming part of these financial statements.

In terms of our report attached

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


Amit Kabra
Partner
M. No.: 094533



Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors



Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021




Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021


Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021


Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021



For **AYE FINANCE PVT. LTD.**


Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	39.95	33.66
<u>Adjustments for:</u>		
Depreciation and amortization on property, plant and equipment	3.28	2.32
Depreciation on right to use assets	4.60	2.66
Unrealised gain on investments in mutual fund	(0.51)	(0.33)
Unrealised foreign exchange loss	3.19	-
Gain on sale of investments	(6.97)	(4.49)
Other comprehensive income/ (loss)	(0.23)	(0.13)
Change in the fair value of hedged item of interest rate risk	(3.28)	-
Interest income in respect of investing activity	(4.51)	(3.43)
Interest on leases assets	1.57	0.81
Finance costs	136.11	72.41
(Profit)/Loss on sale of property, plant and equipment	0.01	(0.00)
Expense on employee stock option scheme	3.30	0.40
Expenses for gratuity and leave encashment	2.19	1.01
Impairment on financial assets	46.15	8.46
Loans and advances written off	18.94	7.86
Operating Profit/Loss before Working Capital changes	243.78	121.22
<u>Adjustments for changes in Working Capital :</u>		
(Increase)/ Decrease in loans	(747.84)	(578.07)
(Increase)/ Decrease in other financial assets	(16.63)	(14.01)
(Increase)/ Decrease in other non-financial assets	1.17	(4.70)
(Increase)/ Decrease in trade payables	6.32	5.94
(Increase)/ Decrease in other financial liabilities	24.42	2.45
(Increase)/ Decrease in other non-financial liabilities	2.10	2.53
(Increase)/ Decrease in lease liabilities	(5.70)	(3.20)
(Increase)/ Decrease in provisions	1.43	0.94
Cash Generated From/ (Used in) Operations	(490.96)	(466.90)
- Taxes (Paid) / Refunds (Net)	(29.44)	(8.66)
Net Cash Generated From/ (Used) in Operating Activities	(520.40)	(475.57)

AYE FINANCE PVT LTD

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment and intangible assets	(6.64)	(3.02)
Proceeds from sale of assets	0.02	0.02
Purchase of investment at amortised cost	(1,171.00)	(1,034.90)
Proceeds from sale of investments	1,246.13	1,011.80
Bank balances not considered as cash and cash equivalents	(30.15)	(9.24)
Interest received on deposits with bank	4.03	2.78
Net Cash Generated From / (Used) in Investing Activities	42.38	(32.56)
Cash Flow From Financing Activities:		
Proceeds from debts	395.78	246.83
Proceeds from borrowings	534.59	330.63
Repayment of debts	(9.68)	(2.25)
Repayment of borrowings	(290.01)	(254.92)
Purchase of equity	(0.00)	380.39
Interest Paid	(120.93)	(63.34)
Net Cash Generated from / (Used in) Financing Activities	509.74	637.34
Net Increase/ (Decrease) in Cash and Cash Equivalents	32	129
Cash and Cash Equivalents at the Beginning of the Year	140.43	11.22
Cash and Cash Equivalents at the end of the year	172.15	140.43
Cash and Cash Equivalents at the end of the year comprises of		
Cash in hand	2.18	1.38
Cheques on Hand	-	-
Balances with Banks in Current Accounts	119.93	54.05
Others	50.04	85.00
TOTAL	172.15	140.43

See accompanying notes forming part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27 19:28:03 +05'30'
Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA
Digitally signed by SANJAY SHARMA
Date: 2020.07.27 16:09:20 +05'30'
Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY
Digitally signed by VIKRAM JETLEY
Date: 2020.07.27 15:52:46 +05'30'
Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY
Digitally signed by TRIPTI PANDEY
Date: 2021.07.27 16:09:20 +05'30'
Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA
Digitally signed by ASHISH SHARMA
Date: 2021.07.27 15:52:46 +05'30'
Ashish Sharma
Chief Financial Officer

AYE FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**CHAPTER C- RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3
(THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Transaction	Related Party	Year Ended March 31, 2022 (INR) (in Crore)	Year Ended March 31, 2021 (INR) (in Crore)	Year Ended March 31, 2020 (INR) (in Crore)
Managerial Remuneration	Mr. Sanjay Sharma Mr. Vikram Jetley	4.33	6.73	3.74
Shares issued during the year	A91 Emerging Fund I LLP, SAIF Partners India V Limited, LGT Capital Invest Mauritius, PCC with cell E/VP, CapitalG LP, CapitalG International LLC and Falcon Edge India I LP	-	3.04	-
Security Premium received	A91 Emerging Fund I LLP, LGT Capital Invest Mauritius, PCC with cell E/VP, CapitalG International LLC, Falcon Edge India I LP, SAIF Partners India V Limited and CapitalG LP	-	184.45	-
Dividend on 0.01% on CCPS	SAIF Partners India V Limited, LGT Capital Invest Mauritius PCC with cell E/VP, CapitalG LP, CapitalG International LLC, A91 Emerging Fund I LLP and Falcon Edge India I LP	-	0.0023	0.0021
Legal & Professional Charges	Strategic Resources	-	-	-
Tour & Travelling Expenses	Accion Technical Advisors India	-	-	-
Reimbursement received	Accion Technical Advisors India	-	-	-
Staff Welfare	Accion International	-	-	-
CSR expense	Foundation for Advancement of Micro Enterprises	1.00	0.41	0.18
Sale of property, plant and equipment	Sanjay Sharma	-	-	0.002

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Transaction	Related Party	Year Ended March 31, 2022 (INR) (in Crore)	Year Ended March 31, 2021 (INR) (in Crore)	Year Ended March 31, 2020 (INR) (in Crore)
Investment in shares of wholly subsidiary company	Foundation for Advancement of Micro Enterprises	-	-	0.25

SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Company hereby confirm and declare that:

- A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;
- B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;
- C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and
- D. whatever is stated in this Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

General Risk

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution number 08 dated May 26, 2022 sign this Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Placement Memorandum and matters incidental thereto have been complied with.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **AGRIUS RICE PRIVATE LIMITED**



Title: Managing Director
Date: July 20, 2022

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I: TERM SHEET

As provided in Section 5.37 above.

for AYE FINANCE PVT. LTD.


Authorized Signatory

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

**ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS
RELEASE FROM THE RATING AGENCY**

Mr. Mayank Thatte
Chief Financial Officer
Aye Finance (P) Ltd.
7th Floor, Unitech Commercial Tower-2,
Sector 45, Gurgaon 122003

July 07, 2022

Re: Rating Letter for non-convertible debenture (NCD) programme of Aye Finance Private Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

Non-Convertible debentures rated limit of INR 6,508 million at IND A- with Stable Outlook

(Unutilized limit stands at INR 632 million)

PP-MLD rated limit of INR 500 million at IND PP-MLD A-emr with Stable

(Unutilized limit stands at INR 200 million)

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual or group of individuals is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein.

India Ratings & Research Private Limited - A Fitch Group Company
Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FC140349 | www.indiaratings.com

JZL

The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

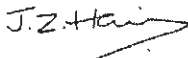
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at info@indiaratings.co.in

Sincerely,

India Ratings



Jindal Zaverchand Haria
Director



Abhishek Bhattacharya
Senior Director

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

CATALYST
Believe in yourself. Trust us!



CL/MUM/22-23/DEB/391
July 11, 2022

To,
Aye Finance Private Limited
M-5, Magnum House-I, Community Centre,
Karampura New Delhi- 110015

Dear Sir(s),

Consent to act as Debenture Trustee for Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 31 Crores to be issued by the Company.

This is with reference to the appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 31 Crores to be issued by the Company.

In this regard, we hereby agree to act as Debenture Trustee on the following trusteeship remuneration:

Acceptance fees	Rs. 1,00,000/- plus applicable taxes (One Time; Non Refundable & payable on appointment as trustee).
Service Charges (Debenture Trustee)	Rs. 1,50,000/- p.a. plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till March 31, 2023
Out of pocket expenses	On actual basis *

We accept the above terms
For Catalyst Trusteeship Limited

Authorized Signatory

For Aye Finance Private Limited

Authorized Signatory

Note:

As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED (A PRIVATE COMPANY LIMITED BY SHARES)

A150:8101:00000000

Mumbai Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalas, Santacruz (East) Mumbai 400 008 Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505
Regd. Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paldi Road, Pune 411 008 Tel: +91 (020) 75266001 Fax: +91 (020) 25290275
Delhi Office: Office No. B10, B11 Floor, Kalasahi Building, 26, Kasarba Gandhi Marg, New Delhi - 110031 Tel: 11 450 291 01/07.
CIN No. U74999PN1979PLC10262 Email: dl@ctltrustee.com Website: www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



AYE FINANCE PVT LTD

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

CATALYST
Believe in yourself... Trust us!



CI/MUM/22-23/DEB/391
July 11, 2022

To,
Aye Finance Private Limited
M-5, Magnum House-I, Community Centre,
Karampura New Delhi- 110015

Dear Sir(s),

Consent to act as Debenture Trustee for Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 31 Crores to be issued by the Company.

This is with reference to the appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Rated, Secured, Redeemable, Listed, Non-convertible Debentures aggregating up to Rs. 31 Crores to be issued by the Company.

In this regard, we hereby agree to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSF), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

We accept the above terms.
For Catalyst Trusteeship Limited

Authorized Signatory

For Aye Finance Private Limited

Authorized Signatory



We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the placement memorandum dated July 20, 2022 ("**Placement Memorandum**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL/CDSL
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	
---	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.									
---	--	--	--	--	--	--	--	--	--

Received from _____

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for
INR _____	on account of application of _____ Debenture

For AYE FINANCE PVT LTD

Authorized Signatory

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under bis/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account:

Beneficiary A/C Name:	AYE FINANCE PRIVATE LIMITED
Bank Account No.	50200024731473
IFSC CODE:	HDFC0003906
Bank Name	HDFC Bank Ltd
Branch Address:	Vipul Square Centre, Sushant Lok-I, Gurgaon

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
- b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

Placement Memorandum
Date: July 20, 2022

Private & Confidential
For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

For AYE FINANCE PVT. LTD.


Authorized Signatory

1/11

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Office Address:
Golf View, Corporate Tower - 3
Sector - 42, Sector Front
Gurgaon - 122 002, Haryana, India

Tel: +91 124 681 6560

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Aye Finance Private Limited

26 May 2022

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Aye Finance Private Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

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

Emphasis of Matter – Assessment of COVID 19 Impact

We draw attention to Note 5 to the financial results, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identifying No. AAB-4295
Regd. Office: 27, Canal Street, Block B, 8th Floor, Kolkata-700 016

AYE FINANCE PVT. LTD.

Authorized Signatory

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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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

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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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 results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The figures for the corresponding quarter ended March 31, 2021, as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to an audit.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

AMIT Digitally signed by
AMIT KABRA
Date: 2022.05.26
KABRA 17:51:12 +05'30'
per Amit Kabra
Partner
Membership No.: 094533

UDIN: 22094533AJRDHF6710

Gurugram

THE AYE FINANCE PVT. LTD.


Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Registered office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015

Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com

Statement of audited assets and liabilities as at March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	152.84	179.45
Bank balances other than cash and cash equivalents	224.22	168.00
Loans	1,687.71	1,500.77
Investments	155.11	198.17
Other financial assets	7.09	16.51
Total financial assets	2,226.97	2,062.90
Non-financial assets		
Current tax assets (net)	8.83	0.38
Deferred tax assets (net)	47.33	31.60
Property, plant and equipment	4.78	5.31
Right of use assets	20.58	20.37
Capital work-in-progress	0.06	0.01
Intangible assets	1.37	1.56
Other non-financial assets	6.34	4.86
Total non-financial assets	89.29	64.09
Total assets	2,316.26	2,126.99
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	3.89	1.79
Debt securities	922.23	945.44
Borrowings (other than debt securities)	598.51	368.88
Lease liabilities	23.35	22.70
Other financial liabilities	32.78	6.04
Total financial liabilities	1,580.76	1,344.85
Non-financial liabilities		
Provisions	23.14	22.94
Other non-financial liabilities	6.35	12.50
Total non-financial liabilities	29.49	35.44
EQUITY		
Equity share capital	30.45	30.45
Other equity	675.56	716.25
Total equity	706.01	746.70
Total liabilities and equity	2,316.26	2,126.99

For and on behalf of the Board of Directors of
Aye Finance Private Limited

Place: Gurugram
Date: May 26, 2022

SANJAY Director & CEO
SHARMA Director & CFO

Sanjay Sharma
Managing Director
DIN: 03337545

AYE FINANCE PVT. LTD.

Authorized Signatory

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Registered office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph.: 01244844300, Email: corporate@ayefin.com, website: www.ayefin.com
Statement of financial results for the quarter and year ended March 31, 2022

Particulars	[All amounts are in Rs. crores unless otherwise stated]				
	Quarter ended March 31, 2022 Audited **	Quarter ended December 31, 2021 Unaudited	Quarter ended March 31, 2021 Audited **	Year ended March 31, 2022 Audited	Year ended March 31, 2021 Audited
Revenue from operations					
Interest income	116.41	93.16	72.08	415.39	482.93
Fees and commission income	2.10	2.77	7.40	6.04	8.15
Net gain on fair value changes	3.74	1.58	4.61	8.49	4.61
Total revenue from operations	122.25	97.51	84.09	431.92	495.27
Other income	3.73	4.03	2.84	13.57	4.15
Total income	125.98	101.56	86.93	445.49	499.42
Expenses					
Finance cost	38.93	37.82	45.21	158.55	235.15
Net loss on fair value changes	-	3.73	1.06	2.10	5.08
Impairment on financial instruments	21.61	3.90	(23.72)	121.10	55.06
Employee benefit expenses	50.93	41.20	47.80	175.76	141.44
Depreciation and amortization expense	3.84	1.14	3.61	9.97	9.29
Other expenses	16.58	11.28	8.13	43.42	30.12
Total expenses	131.94	99.07	82.09	510.90	476.14
Profit / (loss) before tax	(5.96)	2.49	4.84	(67.41)	23.28
Tax expense:					
Current tax	-	-	(8.25)	-	10.15
Tax for earlier years	(5.63)	-	(1.50)	(5.63)	(1.50)
Deferred tax	(0.54)	0.43	8.59	(16.06)	(2.26)
Income tax expense	(6.17)	0.43	(1.16)	(21.69)	6.39
Profit / (Loss) for the year / period (A)	0.21	2.06	6.00	(45.72)	16.89
Other comprehensive (loss) / income					
Re-measurement (loss) / income on defined benefit plans	(0.04)	1.01	(0.11)	1.31	(0.13)
Income tax effect	-	(0.47)	0.07	(0.33)	0.03
Other comprehensive loss (0)	(0.04)	1.44	(0.09)	0.98	(0.10)
Total comprehensive (loss) / income for the year / period (A+B)	0.17	3.50	5.91	(44.74)	16.79
Earnings per equity share					
Basic EPS (Rs.)	0.07	1.13	1.92	(14.74)	5.58
Diluted EPS (Rs.)	0.07	1.12	1.90	(14.74)	5.51
Nominal value	10.00	10.00	10.00	10.00	10.00

** Please refer note 4

* Earnings per share for the interim periods are not annualised

For and on behalf of the Board of Directors of
Aye Finance Private Limited

Place: Gurgaon
Date: May 26, 2022

SANJAY SHARMA
Sanjay Sharma
Managing Director
DIN: 03337145

AYE FINANCE PVT. LTD.

Authorized Signatory

Registered Office: 101/2, Magnam House-1, Community Centre, Saranagar, New Delhi, West Zone, India
Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com
Statement of Cash Flow for the year ended March 31, 2022

(All amounts are in Rs. crores unless otherwise stated)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
(Loss) / Profit before tax	(67.41)	23.28
Adjustments for:		
Depreciation and impairment of PPE and right of use assets	4.52	3.68
Depreciation on right of use assets	5.45	5.61
Unrealised foreign exchange gain	(0.52)	(0.01)
Unrealised loss / (gain) on investments in mutual fund	0.03	(1.61)
Profit on sale of mutual fund units	(8.00)	(2.99)
Other comprehensive income / (loss)	0.98	(0.10)
Impairment of financial instruments	6.22	18.20
Loans and advances written off	113.23	36.86
Loss on settlement	1.57	-
Loss on sale of property, plant and equipment (net)	0.02	-
Expense on employee stock option scheme	4.05	3.23
Expenses for gratuity and leave encashment	3.54	3.02
Interest on lease assets	2.77	1.81
Operating profit before working capital changes	66.53	90.98
Movements in working capital:		
(Increase) in bank balances not considered as cash and cash equivalents	(56.07)	(111.17)
(Increase) / Decrease in loan portfolio	(308.04)	160.99
Decrease / (Increase) in other financial assets	9.42	(14.87)
(Increase) / Decrease in other non financial assets	(1.48)	0.32
Increase / (Decrease) in other financial liabilities (excluding lease liabilities)	26.74	(0.19)
Increase in derivative financial instruments	2.10	5.07
(Decrease) / Increase in other non financial liabilities	(6.15)	5.78
(Decrease) in lease liabilities	(7.78)	(5.67)
(Decrease) / Increase in provisions	(2.03)	2.02
Cash (used in) / generated from operations	(276.76)	133.26
Income taxes paid	(2.49)	(8.03)
Net cash (used in) / generated from operating activities (A)	(279.25)	125.23
Cash flow from investing activities		
Purchase of property, plant and equipment (excluding right of use assets) (Net of sale proceeds)	(5.49)	(3.09)
Purchase of investments	(1,564.77)	(514.97)
Sale of investments	1,625.86	328.28
Net cash generated from / (used in) investing activities (B)	45.60	(189.78)

(Continued)

AYE FINANCE PVT. LTD.

Authorized Signatory

(16)

Registered office : M 5, Magnum House I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph.: 01244844009, Email: corporate@ayefin.com, website: www.ayefin.com
Statement of Cash Flow for the year ended March 31, 2022

[All amounts are in Rs. crores unless otherwise stated]

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>(Continued)</i>		
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	30.00	209.99
Proceeds from issue of debt securities	237.22	362.18
Redemption of debt securities	(260.43)	(396.17)
Proceeds from borrowings (other than debt securities)	415.01	320.42
Repayment of borrowings (other than debt securities)	(184.76)	(224.60)
Net cash generated from financing activities (C)	207.04	71.82
Net (decrease) / increase in cash and cash equivalents (A + D + C)	(26.61)	7.27
Cash and cash equivalents at the beginning of the year	179.45	172.18
Cash and cash equivalents at the end of the year	152.84	179.45
Components of cash and cash equivalents as at the end of period		
Cash in hand	3.27	3.01
Balance with banks - on current account	71.33	56.62
Deposits with original maturity of less than or equal to 3 months	78.24	119.82
Total cash and cash equivalents	152.84	179.45

Note: Previous year figures have been regrouped / reclassified wherever applicable

For and on behalf of the Board of Directors of
Aye Finance Private Limited

SANJAY SHARMA
MANAGING DIRECTOR

Place: Gurugram
Date: May 26, 2022

Sanjay Sharma
Managing Director
DIN: 03337545

AYE FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Registered office : M-5, Magnum House-4, Community Centre, Karampura, New Delhi, West Delhi: DL 110015

Ph. : 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com

Notes:

- The Company is a systemically important non-deposit taking non-banking financial company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- The financial results for the quarter and year ended March 31, 2022, which have been subjected to audit by statutory auditors of the company, have been reviewed by the Audit Committee at its meeting held on May 25, 2022 and approved by the Board of Directors at its meeting held on May 26, 2022. The report is being filed with the Bombay Stock Exchange ('BSE') and is also available on the Company's website www.ayefin.com.
- The above financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended and the Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
- The figures of quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and March 31, 2021 and reviewed figures for the nine months ended December 31, 2021 and figures as certified by the management for nine months ended December 31, 2020 which has not been subjected to limited review.
- "A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the "pandemic"), which was further extended in phases up to May 31, 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones but localised/regional restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The second wave of the COVID-19 pandemic in April-May 2021 led to the re-imposition of localised/regional lockdown measures in various parts of the country. The second wave started to subside from June 2021 onwards and the lockdowns were gradually lifted, resulting in a significant improvement in economic activity. India experienced another outbreak due to a new variant in December 2021 and as a precautionary measure, certain state governments have imposed localised/regional restrictions. The extent to which the COVID-19 pandemic, will continue to impact the Company's financial results, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us. At March 31, 2022, the Company believes that the impairment allowance of loans has been recorded considering the reasonable and supportable information available up to the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of the financial assets. The Company will continue to closely monitor any material changes to future economic conditions and resultant impact, if any, on the impairment allowance of loans."
- 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, 2022 as given below:**

(All amounts are in Rs. Crores)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at September 30, 2021 (A) *	Of (A), aggregate debt that slipped in to NPA during the half year ended March 31, 2022	Of (A) amount written off during the half year ended March 31, 2022	Of (A) amount paid by the borrowers during the half year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan Position as at March 31, 2022 *
Personal Loans #	42.86	5.91	1.32	1.13	34.50
Corporate Persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	42.86	5.91	1.32	1.13	34.50

* Consist of unbilled and overdue principal

Includes restructuring implemented pursuant to DTK 2.0 for personal loans, individual business loans and small business loans.

(Continued)

AYEFIN FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Registered office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi, DL 110015
Ph.: 01244844030, Email: corporate@ayefin.com, website: www.ayefin.com

Notes:

(Continued)

7 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 March 31, 2022: Nil

(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, 2022: Nil

(c) Details of stressed loans transferred during the year ended March 31, 2022

Particulars	To Asset Reconstruction Companies (ARC)	
	NPA*	SMA
No. of accounts	23,835	-
Aggregate principal outstanding of loans transferred (Rs. in crores)	243.29	-
Weighted average residual tenor of the loans transferred (in months)	12 months	-
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	34.78	-
Aggregate consideration (Rs. in crores)	37.71	-
Additional consideration realised in respect of accounts transferred in earlier year	-	-

Including written off loans amounting to Rs. 171.95 crores

(d) The Company has not acquired any stressed loan during the financial year ended March 31, 2022

- 8 Pursuant to RBI circular dated November 12, 2021, "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – clarifications", the Company has taken necessary steps and complied with the provisions of the circular for regulatory reporting, as applicable. The financial results for the quarter and year ended March 31, 2022, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – "Implementation of Indian Accounting Standard".
- 9 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
- 10 There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 11 The Company owns 99.999% of Foundation for Advancement of Micro Enterprises (FAME) incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.
- 12 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.
- 13 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022 is attached as Annexure I to these financial results.
- 14 The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors of
Aye Finance Private Limited

SANJAY SHARMA
A

Sanjay Sharma
Managing Director
DIN: 03337545

Place: Gurugram
Date: May 26, 2022

for AYE FINANCE PVT. LTD.
Authorized Signatory

AYE FINANCE PRIVATE LIMITED (CIN: U65922DL1993P124566U)
Registered office: M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph.: 01244844000, Email: corporate@ayefin.com, website: www.ayefin.com

Additional Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at March 31, 2022 with respect to listed secured debentures of the Company issued on a private placement basis.

[All amounts are in Rs. crores unless otherwise stated]

(a) Omitted	
(b) Omitted	
(c) Debt equity ratio (Refer Note 1)	2.36
(d) Omitted	
(e) Omitted	
(f) Debt service coverage ratio:	Not applicable
(g) Interest service coverage ratio:	Not applicable
(h) Outstanding redeemable preference shares (quantity and value)	Not applicable
(i) Capital redemption Reserve:	Not applicable
(j) Net worth (Refer Note 2):	651.55
(k) Net profit after tax:	

Particulars	For the year ended
	March 31, 2022
Net (loss) / profit after tax:	[45.72]

(l) Earnings per share:	
Particulars	For the year ended
	March 31, 2022
Basic	[14.74]
Diluted	[14.74]

(m) Current ratio:	Not applicable
(n) Long term debt to working capital ratio:	Not applicable
(o) Bad debts to Account receivable ratio:	Not applicable
(p) Current liability ratio:	Not applicable
(q) Total debts to total assets (%) (Refer Note 3):	66.66%
(r) Debtors turnover:	Not applicable
(s) Inventory turnover:	Not applicable
(t) Operating margin(%):	Not applicable
(u) Net profit margin(%) (Refer note 4):	

Particulars	For the year ended
	March 31, 2022
Net profit margin(%):	[10.91%]

(v) Sector specific ratios:	
Gross NPA ratio (Gross stage III assets) (Refer Note 5)	3.29%
Net NPA ratio (Net stage III assets) (Refer Note 6)	1.37%
CRAR	36.03%
Liquidity coverage ratio	Not applicable
Provision coverage ratio (Refer Note 7)	59.12%

Notes:

- (1) Debt to equity ratio = (Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Net worth
- (2) Net worth = Total equity - Deferred tax - Intangible assets - Prepaid expenses
- (3) Total debt to total assets = ((Debt securities + Borrowings other than debt securities + Subordinated liabilities (lease liabilities)) / Total assets
- (4) Net profit margin = Net profit for the year / Total income for the year
- (5) Gross NPA ratio = Gross stage III loans / Gross loans
- (6) Net NPA ratio = (Gross stage III loans - Impairment allowance on stage III loans) / (Gross loans - Impairment allowance on stage III loans)
- (7) Provision coverage ratio = Provision on Gross stage III loans / Gross Stage III loans

For Aye Finance Private Limited

SANJAY Sharma

SHARMA

Sanjay Sharma

Managing Director

DIN: 09337545

Place: Gurugram
Date: May 26, 2022

AYE FINANCE PVT. LTD.
Authorized Signatory

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

**Review Report to
The Board of Directors
Aye Finance Private Limited**

13 November 2021

**Independent Auditor's Review Report on the Quarterly and Year to date
Unaudited Financial Results of the Company Pursuant to Regulation 52 of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015, as amended (the "Listing Regulations")**

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of Aye Finance Private Limited (the "Company") for the quarter ended 30 September 2021 and year to date from 1 April 2021 to 30 September 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

5. We draw attention to Note 5 to the Statement, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.
6. The figures for the previous quarter ended June 30, 2021, as reported in these unaudited Ind AS financial results have been approved by the Company's Board of Directors but have not been subjected to a review.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

AMIT Digitally signed
by AMIT KABRA
Date:
KABRA 2021.11.13
18:21:24 +05'30'

per Amit Kabra

Partner

Membership No.: 094533

UDIN: 21094533AAAAMV2230

Place: Ranthambore

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
CIN - U65921DL1993PTC283660
Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph. : 01244844000, Email : corporate@ayefin.com, website : www.ayefin.com
Statement of unaudited assets and liabilities as at September 30, 2021

Particulars	(Rs. in Crores unless otherwise stated)	
	As at 30-Sep-2021 Unaudited	As at 31-Mar-2021 Audited
ASSETS		
Financial assets		
Cash and cash equivalents	58.15	191.60
Bank balances other than cash and cash equivalents	360.69	167.17
Loans	1,257.29	1,500.76
Investments	210.41	198.17
Other financial assets	17.41	16.68
Total financial assets	1,903.95	2,074.38
Non-financial assets		
Current tax assets (net)	1.80	0.37
Deferred tax assets (net)	47.69	31.61
Property, plant and equipment	4.27	5.31
Right of use assets	19.61	20.37
Capital work-in-progress	0.01	0.01
Intangible assets	1.43	1.56
Other non-financial assets	6.34	4.88
Total non-financial assets	81.15	64.11
Total assets	1,985.10	2,138.49
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	944.06	1,078.47
Borrowings (other than debt securities)	280.01	297.28
Subordinated liabilities	23.07	22.70
Derivative financial instruments	1.83	1.79
Other financial liabilities	13.32	14.58
Total financial liabilities	1,262.29	1,364.77
Non-financial liabilities		
Provisions	19.27	22.93
Other non-financial liabilities	2.69	4.09
Total non-financial liabilities	21.96	27.02
EQUITY		
Equity share capital	30.45	30.45
Other equity	670.40	716.25
Total equity	700.85	746.70
Total liabilities and equity	1,985.10	2,138.49
For and on behalf of the Board of Directors of Aye Finance Private Limited		
Place: Gurugram	SANJAY SHARMA	Digitally signed by SANJAY SHARMA, Date: 2021.11.13 17:47:45 +05'30'
Date: November 13, 2021		Sanjay Sharma Managing Director

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
CIN - UG5921DL1993PTC283660
Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph. : 01244844000, Email : corporate@ayefin.com, website : www.ayefin.com
Statement of unaudited financial results for the quarter and half year ended September 30, 2021

(Rs. in Crores unless otherwise stated)

Particulars	Quarter ended		Half Year ended		Year ended
	30-Sep-21	30-Jun-21	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations					
Interest income	89.64	116.16	205.80	277.50	482.53
Fees and commission income	2.11	1.06	3.17	0.67	8.15
Net gain on fair value changes	-	5.12	5.12	-	4.60
Total revenue from operations	91.75	122.34	214.09	278.17	495.28
Other income	1.33	2.48	3.81	0.36	4.74
Total income	93.08	124.82	217.90	278.53	500.02
Expenses					
Finance cost	38.07	43.68	81.75	127.58	235.16
Net loss on fair value changes	0.32	-	0.32	5.23	5.08
Impairment on financial instruments	14.07	81.52	95.59	27.59	55.65
Employee benefit expenses	43.19	40.44	83.63	64.62	141.44
Depreciation and amortization expense	2.68	2.31	4.99	3.98	9.29
Other expenses	7.61	7.95	15.56	12.08	30.12
Total expenses	105.94	175.90	281.84	241.08	476.74
(Loss)/Profit before tax	(12.86)	(51.08)	(63.94)	37.45	23.28
Tax expense:					
Current tax	-	-	-	12.26	10.15
Deferred tax	(3.10)	(12.85)	(15.95)	4.33	(2.26)
Tax for earlier years	-	-	-	-	(1.50)
Income tax expense	(3.10)	(12.85)	(15.95)	16.59	6.39
(Loss)/Profit for the period / year (A)	(9.76)	(38.23)	(47.99)	20.86	16.89
Other comprehensive loss					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement (loss) / income on defined benefit plans	(0.56)	-	(0.56)	0.02	(0.13)
Income tax effect	0.14	-	0.14	-	0.03
Other comprehensive loss (B)	(0.42)	-	(0.42)	0.02	(0.10)
Total comprehensive (loss) / income for the period / year (A+B)	(10.18)	(38.23)	(48.41)	20.88	16.79
Earnings per equity share					
Computed on the basis of total profit for the period					
Basic EPS (not annualised) (Rs.)	(3.28)	(12.33)	(15.61)	7.18	5.58
Diluted EPS (not annualised) (Rs.)	(3.28)	(12.33)	(15.61)	7.09	5.51
Nominal value	10.00	10.00	10.00	10.00	10.00
For and on behalf of the Board of Directors of Aye Finance Private Limited					
<div style="display: flex; justify-content: space-between;"> <div> <p>SANJAY SHARMA</p> </div> <div> <p>Digitally signed by SANJAY SHARMA Date: 2021.11.13 17:46:23 +05'30'</p> </div> </div>					
<div style="display: flex; justify-content: space-between;"> <div> <p>Place: Gurugram Date: November 13, 2021</p> </div> <div> <p>Sanjay Sharma Managing Director</p> </div> </div>					

AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
CIN - U65921DL1993PTC283660
Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph. : 01244844000, Email : corporate@ayefln.com, website : www.ayefln.com
Statement of Cash Flow for the half year ended September 30, 2021

(Rs. in Crores unless otherwise stated)	
Particulars	For the period ended 30-Sep-21
Cash flow from operating activities	
Loss before tax	(63.94)
Adjustments for:	
Depreciation and impairment of PPE and right of use assets	4.99
Unrealised foreign exchange loss	0.51
Unrealised gain on investments in mutual fund	(1.92)
Profit on sale of mutual fund units	(2.92)
Impairment of financial instruments	23.67
Loans and advances written off	71.61
Change in the fair value of hedged item of interest rate risk	0.04
Loss on write off of property, plant and equipment	0.01
Expense on employee stock option scheme	2.52
Expenses for gratuity and leave encashment	1.69
Interest on leased assets	1.44
Operating profit before working capital changes	37.70
Movements in working capital :	
Increase in bank balances not considered as cash and cash equivalents	(193.52)
Decrease in loan portfolio	148.19
Decrease in other financial assets	1.19
Increase in other non financial assets	(1.46)
Decrease in other financial liabilities (excluding lease liabilities)	(1.23)
Decrease in other non financial liabilities	(1.40)
Decrease in lease liabilities	(3.38)
Decrease in provisions	(5.91)
Cash generated in operations	(19.82)
Income taxes paid	(1.43)
Net cash used in operating activities (A)	(21.25)
Cash flow from investing activities	
Purchase of property, plant and equipment (excluding right of use assets)	(0.75)
Purchase of investments	(450.18)
Sale of investments	440.86
Net cash used in investing activities (B)	(10.07)
Cash flow from financing activities	
Proceeds from issue of Debt securities	75.00
Redemption of Debt securities	(159.35)
Proceeds from Borrowings (other than debt securities)	50.00
Repayment of Borrowings (other than debt securities)	(67.78)
Net cash used in financing activities (C)	(102.13)
Net decrease in Cash and Cash Equivalents (A + B + C)	(133.45)
Cash and cash equivalents at the beginning of the year	191.60
Cash and cash equivalents at the end of the year	58.15
Components of cash and cash equivalents as at the end of period	
Cash in hand	4.17
Balance with banks - on current account	17.17
Deposits with original maturity of less than or equal to 3 months	36.81
Total cash and cash equivalents	58.15
Note: Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".	
For and on behalf of the Board of Directors of Aye Finance Private Limited	
SANJAY SHARMA Digitally signed by SANJAY SHARMA Date: 2021.11.13 17:48:46 +05'30'	
Place: Gurugram	Sanjay Sharma Managing Director
Date: November 13, 2021	

of AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
CIN - U65921DL1993PTC283660

Registered Office : M-5, Magnum House-I, Community Centre, Karampura, New Delhi, West Delhi DL 110015
Ph. : 01244844000, Email : corporate@ayefin.com, website : www.ayefin.com
Statement of unaudited assets and liabilities as at September 30, 2021

Notes:

- 1) The Company is a systemically important non-deposit taking non-banking financial company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
- 2) The above financial results have been reviewed by the Audit Committee and approved by the Board at its Meeting held on November 13, 2021. The report is being filed with the Bombay Stock Exchange Limited ("BSE") and is also available on the Company's website www.ayefin.com.
- 3) The above financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards ('IND AS') notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
- 4) The figures for quarter ended June 30, 2021 are approved by the Board of Directors and were not subject to limited review by Statutory Auditors of the Company.
- 5) A nation wide lockdown was declared by Government of India with effect from March 24, 2020 as a result of the outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections (the "pandemic"), which was further extended in phases up to May 31, 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID - 19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activities. The extent to which the COVID19 pandemic, will continue to impact the Company's financial results, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us. The Company's Board has approved policy to extend the moratorium to its borrower and complied with the said RBI circulars. At September 30, 2021, the Company believes that the provision for expected credit loss has been recorded considering the reasonable and supportable information available up to the date of approval of these financial results. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of the financial assets. The Company will continue to closely monitor any material changes to future economic conditions and resultant impact, if any, on the expected credit loss provisions.
- 6) Disclosure pursuant to RBI notification - RBI/2021 22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05 May, 2021
For the half year ended September 30, 2021

(Amount in Rs. in crores, except otherwise stated)

S. No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	-	3,784	-
(B)	Number of accounts where resolution plan has been implemented under this window	-	3,784	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan **	-	44.97	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan*	-	4.40	-

* The Company, being an NBFC, has complied with Ind AS and has made adequate provision on impairment loss allowance as per ECL model for the period ended September 30, 2021.

** Consist of unbilled and overdue principal

- 7) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
- 8) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 9) The Company owns 99.999% of Foundation for Advancement of Micro Enterprises (FAME), incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of FAME are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of FAME.
- 10) In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of standalone financial results for the quarter and half year ended September 30, 2021 has been carried out by the Statutory Auditors of the Company.
- 11) Pursuant to SEBI circular dated October 5, 2021, the Company has elected an option to not present the figures for the corresponding quarter dated September 30, 2020 and cash flow statement for the half year ended September 30, 2020.
- 12) The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors of
Aye Finance Private Limited

SANJAY SHARMA Digitally signed by SANJAY SHARMA
Date: 2021.11.13 17:49:11 +05'30

Place: Gurugram
Date: November 13, 2021

Sanjay Sharma
Managing Director

AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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

Independent Auditor's Report on the Half year and Year to date Audited Financial Results of Aye Finance Private Limited Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Aye Finance Private Limited

25 June 2021

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of half year and year to date financial results of Aye Finance Private Limited (the "Company"), for the year March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2021.

Basis for Opinion

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

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 6 to the Statement, which describes the uncertainty arising from COVID 19 pandemic and impacting the Company's operations and estimates especially those relating to impairment of loans, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

For AYE FINANCE PVT. LTD.

Authorized Signatory

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SA 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 the Statement.

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

- i. Identify and assess the risks of material misstatement of the Statement, 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

For AXE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. Conclude on the appropriateness of the Board of Directors' 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 results 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.
- v. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

Further, we report that figures for the half year ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited figures for the half year ended September 30, 2020, which were subjected to a limited review by us, as required under the Listing Regulations. The comparative financial information of the Company for the corresponding half year and year ended March 31, 2020, included in the Statement, were audited by the predecessor auditor who expressed an unmodified opinion on those financial information on July 27, 2020.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

AMIT Digitally signed
by AMIT KABRA
Date: 2021.06.25
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per Amit Kabra

Partner

Membership No.: 094533

UDIN: 21094533AAAAFV5914

Gurugram

SRAYE FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	191.60	172.18
Bank balance other than cash and cash equivalents	4	167.17	50.68
Derivative financial instruments	5	-	3.78
Loans	6	1,500.76	1,716.82
Investments	7	198.17	6.88
Other financial assets	8	16.68	1.64
Non-Financial Assets			
Current tax assets (Net)	9	0.37	1.03
Deferred tax Assets (Net)	10	31.61	29.32
Property, plant and equipment	11	5.31	5.76
Right of use assets	49	20.37	11.53
Capital work-in-progress		0.01	1.21
Other intangible assets	12	1.56	0.49
Other non-financial assets	13	4.88	5.18
Total Assets		2,138.49	2,012.01
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Debt securities	14	1,028.42	1,179.43
Borrowings (other than debt securities)	15	297.28	273.07
Lease liability	49	22.70	12.11
Derivative financial instruments	16	1.79	-
Other financial liabilities	17	5.81	6.22
Non-Financial Liabilities			
Provisions	18	22.93	17.75
Other non-financial liabilities	19	12.86	6.72
EQUITY			
Share Capital	20	30.45	27.04
Other Equity	21	716.25	489.67
Total Liabilities and Equity		2,138.49	2,012.02

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

In terms of our report attached

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


Amit Batliboi
Partner
M. No.: 094633



Place : Gurugram
Date: June 25, 2021

For and on behalf of the board of Directors

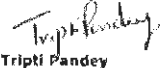
Sanjay Sharma
Managing Director
DIN: 02337545

Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021

Place : Gurugram
Date: June 25, 2021


Mayank Thatte
Chief Financial Officer


Tripti Pandey
Company Secretary
M. No. - 32760

Place : Pune
Date: June 25, 2021

Place : Gurugram
Date: June 25, 2021



AYE FINANCE PVT. LTD.

Authorized Signatory

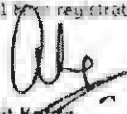
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

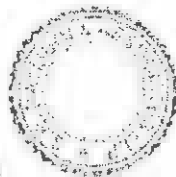
Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
All amounts are in Rs. crores unless otherwise stated

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

In terms of our report attached


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


Amit Khatwa
Partner
M. No.: 094533

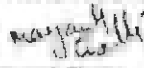


Place : Gurugram
Date: June 25, 2021


For and on behalf of the board of Directors


Sanjay Sharma
Managing Director
DIN: 03337565

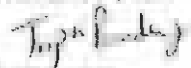
Place : Gurugram
Date: June 25, 2021


Mayank Thakre
Chief Financial Officer

Place : Pune
Date: June 25, 2021


Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021


Tripti Pandey
Company Secretary
M. No. - 32768

Place : Gurugram
Date: June 25, 2021



AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	23.28	39.99
Adjustments for:		
Depreciation and amortization on property, plant and equipment and intangible assets	3.66	3.28
Depreciation on right of use assets	5.61	4.60
Unrealised gain on investments in mutual fund	(1.61)	(3.28)
Unrealised foreign exchange loss	(0.01)	3.19
Gain on sale of investments	(4.60)	(6.97)
Other comprehensive income/ (loss)	(0.10)	(0.23)
Change in the fair value of derivative	5.08	(3.28)
Interest on leases liability	1.81	1.57
(Profit)/Loss on sale of property, plant and equipment	-	0.01
Expense on employee stock option scheme	3.23	3.30
Expenses for gratuity	3.02	2.19
Impairment on financial assets	18.20	46.15
Loans and advances written off	37.44	19.43
Operating Profit/(Loss) before Working Capital changes	95.03	109.95
Adjustments for changes in Working Capital:		
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(110.50)	(31.62)
(Increase)/ Decrease in loans	160.42	(764.15)
(Increase)/ Decrease in other financial assets	(13.43)	2.59
(Increase)/ Decrease in deferred tax assets (net)	(2.29)	(16.22)
(Increase)/ Decrease in other non-financial assets	0.31	1.05
Increase/ (Decrease) in other financial liabilities	(0.41)	1.78
Increase/ (Decrease) in other non-financial liabilities	6.14	2.10
Increase/ (Decrease) in lease liabilities	(5.67)	(5.70)
Increase/ (Decrease) in provisions	2.15	5.97
Cash Generated From/ (Used in) Operations	131.75	(694.25)
- Taxes (Paid) / Refunds (Net)	(5.75)	(13.25)
Net Cash Generated From/ (Used) in Operating Activities (A)	126.00	(707.50)



For AYE FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment and intangible assets	(3.08)	(6.64)
Proceeds from sale of assets	-	0.01
Purchase of investment at amortised cost	(514.97)	(1,171.00)
Proceeds from sale of investments	328.28	1,245.61
Net Cash Generated From / (Used) In Investing Activities (B)	(189.77)	67.98
Cash Flow From Financing Activities:		
Proceeds from debt securities	162.18	395.78
Proceeds from borrowings (other than debt securities)	320.42	534.59
Repayment of debt securities	(313.20)	231.70
Repayment of borrowings (other than debt securities)	(296.20)	(491.80)
Proceeds from issue of equity shares	210.09	-
Net Cash Generated from / (Used In) Financing Activities (C)	83.20	670.27
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	19.42	30.75
Cash and Cash Equivalents at the Beginning of the Year	172.18	141.43
Cash and Cash Equivalents at the end of the year	191.60	172.18
Cash and Cash Equivalents at the end of the year comprises of		
Cash in hand	2.99	2.18
Balances with Banks in Current Accounts	67.97	119.93
Others	120.64	50.07
TOTAL	191.60	172.18

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

See accompanying notes forming part of these financial statements.

In terms of our report attached

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



Amit Kobra
Partner
M. No.: 094533

Place : Gurugram
Date: June 25, 2021



For and on behalf of the board of Directors



Sanjay Sharma
Managing Director
DIN: 03337545

Place : Gurugram
Date: June 25, 2021



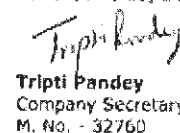
Vikram Jetley
Director
DIN: 06530212

Place : Gurugram
Date: June 25, 2021



Mayank Thatte
Chief Financial Officer

Place : Pune
Date: June 25, 2021



Tripti Pandey
Company Secretary
M. No. - 32760

Place : Gurugram
Date: June 25, 2021



Aye Finance Pvt Ltd
Authorized Signatory

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurgaon - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF AYE FINANCE PRIVATE LIMITED

Opinion

We have audited the Financial Results for the year ended March 31, 2020 included in the accompanying "Statement of Financial Results for the Half Year and Year Ended March 31, 2020" of **Aye Finance Private Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors as referred to in Other Matters Section below the Financial Results for the year ended March 31, 2020:

- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

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 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 11 to the Financial Results, which fully describes uncertainties and the Management assessment of impact on the Business operations and on the Impairment provision of financial assets due to breakout of Covid-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the Covid-19 pandemic. The extent to which the COVID-19 pandemic will have impact on the Company's financial performance and business operations is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Deloitte Haskins & Sells LLP

Management's Responsibilities for the Statement

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for audit of Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is 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 this Financial Results.

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 Annual Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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.

For AYE FINANCE PVT LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Deloitte Haskins & Sells LLP

- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Standalone Financial Results.

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.

Other Matters

- We did not audit the financial statements of Aye Finance Welfare Trust ("the Trust") included in the Statement, whose financial statements reflect total assets of ₹ 1.76 crores as at March 31, 2020 and total revenues of ₹ 0.0095 crores for the year ended March 31, 2020, total net profit after tax of ₹ 0.0010 for the year ended March 31, 2020 and total comprehensive income of ₹ 0.0010 for the year ended March 31, 2020 as considered in the Statement. The financial statements of the trust have been audited by the other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the trust, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities for audit of Annual Financial Results section above.

Our opinion on the Statement is not modified in respect of this matter.

- The comparative financial information for the year ended March 31, 2019 in respect of trust included in this Statement prepared in accordance with the Ind AS have been audited by the other auditors.
- The previously issued financial information of the Company for the year ended March 31, 2019 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006. These previously issued financial information have been adjusted to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been audited by us.

Our opinion on the Statement is not modified in respect of these matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Digitally signed by Sameer
Rohatgi
Date: 2020.07.27 19:20:32
+05'30'

Sameer Rohatgi
Partner
(Membership No. 094039)
UDIN: 20094039AAAABM6082

Place: Gurugram
Date



(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Balance Sheet as at March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial Assets				
Cash and cash equivalents	3	172.15	146.43	11.22
Bank balance other than cash and cash equivalents	4	55.99	25.84	16.60
Derivative financial instruments	5	3.28	-	-
Loans	6	1,685.32	1,002.57	440.82
Investments	7	0.25	68.41	40.82
Other financial assets	8	40.82	23.19	8.29
Non-Financial Assets				
Current tax assets (Net)	9	1.03	-	0.84
Deferred tax Assets (Net)	10	29.32	13.10	8.59
Property, plant and equipment	11	5.78	3.10	2.28
Right of use assets	50	11.53	5.60	3.56
Capital work-in-progress		1.21	0.09	1.17
Other intangible assets	12	0.49	0.95	0.02
Other non-financial assets	13	4.84	6.01	1.30
Total Assets		2,012.01	1,289.29	535.42
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	14	0.54	0.06	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	15.83	9.99	4.10
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	15	861.15	475.05	230.47
Borrowings (other than debt securities)	16	527.86	280.09	204.38
Lease liability	50	12.11	5.71	3.46
Other financial liabilities	17	63.49	23.90	12.38
Non-Financial Liabilities				
Current tax liabilities (Net)	18	-	4.65	-
Provisions	19	7.62	3.99	2.04
Other non financial liabilities	20	6.72	4.62	2.09
EQUITY				
Share Capital	21	27.04	27.04	15.83
Other Equity	22	489.67	454.19	60.72
Total Liabilities and Equity		2,012.01	1,289.29	535.42
Significant accounting policies	2			
See accompanying notes forming part of these financial statements.	3-59			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27
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Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA Digitally signed by SANJAY SHARMA
Date: 2020.07.27
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Sanjay Sharma
Managing Director
DIN: 83837545

VIKRAM JETLEY Digitally signed by VIKRAM JETLEY
Date: 2020.07.27
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Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY Digitally signed by TRIPTI PANDEY
Date: 2020.07.27
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Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA Digitally signed by ASHISH SHARMA
Date: 2020.07.27
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Ashish Sharma
Chief Financial Officer

AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operations			
Interest Income	23	392.22	199.83
Fees and commission income	24	9.25	5.47
Net gain on fair value changes	25	10.25	4.49
Total Revenue from operations (I)		411.73	209.79
Other Income (II)	26	1.20	0.59
Total Income (III)=(I+II)		412.93	210.38
Expenses			
Finance Costs	27	140.87	73.22
Impairment on financial assets	28	65.08	16.33
Employee Benefits Expenses	29	122.62	60.02
Depreciation and amortization	30	7.08	4.98
Other expenses	31	36.52	22.17
Total Expenses (IV)		372.90	176.72
Profit before tax (V)=(III-IV)		39.95	33.66
Tax Expense: (VI)			
(1) Current Tax		7.54	9.64
(2) Deferred Tax		23.68	14.09
(3) Tax for earlier years		(16.14)	(4.46)
		0.00	-
Profit for the year (VII)=(V-VI)		32.41	24.02
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement (gains)/ losses on defined benefit plans		0.31	0.18
(ii) Income tax relating to items that will not be reclassified to profit or loss			
		(0.08)	(0.05)
Other Comprehensive Income		0.23	0.13
Total Comprehensive Income for the year (Comprising Profit and other comprehensive income for the year)		32.18	23.89
Earnings per equity share (for continuing operations)			
Basic (₹)	33	11.74	11.29
Diluted (₹)	33	11.59	11.18
Significant accounting policies			
See accompanying notes forming part of these financial statements.	2		
	3-59		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

**Sameer
Rohatgi**

Digitally signed by
Sameer Rohatgi
Date: 2020.07.27
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Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

Digitally signed
by SANJAY
SHARMA
Date: 2020.07.27
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Sanjay Sharma
Managing Director
DIN: 03337545

Digitally signed
by VIKRAM
JETLEY
Date: 2020.07.27
15:02:14

Vikram Jetley
Director
DIN: 06530212

Digitally signed
by TRIPTI
PANDEY
Date: 2020.07.27
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Tripti Pandey
Company Secretary
M. No. - 32760

Digitally signed
by ASHISH
SHARMA
Date: 2020.07.27
14:28:40 +05'30'

Ashish Sharma
Chief Financial Officer

AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	39.95	33.66
Adjustments for:		
Depreciation and amortization on property, plant and equipment	3.28	2.32
Depreciation on right to use assets	4.60	2.66
Unrealised gain on investments in mutual fund	(0.51)	(0.33)
Unrealised foreign exchange loss	3.19	-
Gain on sale of investments	(6.97)	(4.49)
Other comprehensive income/ (loss)	(0.23)	(0.13)
Change in the fair value of hedged item of interest rate risk	(3.28)	-
Interest income in respect of investing activity	(4.51)	(3.43)
Interest on leases assets	1.57	0.81
Finance costs	136.11	72.41
(Profit)/Loss on sale of property, plant and equipment	0.01	(0.00)
Expense on employee stock option scheme	3.30	0.40
Expenses for gratuity and leave encashment	2.19	1.01
Impairment on financial assets	46.15	8.46
Loans and advances written off	18.94	7.86
Operating Profit/Loss before Working Capital changes	243.78	121.22
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in loans	(747.84)	(578.07)
(Increase)/ Decrease in other financial assets	(16.63)	(14.01)
(Increase)/ Decrease in other non-financial assets	1.17	(4.70)
(Increase)/ Decrease in trade payables	6.32	5.94
(Increase)/ Decrease in other financial liabilities	24.42	2.45
(Increase)/ Decrease in other non-financial liabilities	2.10	2.53
(Increase)/ Decrease in lease liabilities	(5.70)	(3.20)
(Increase)/ Decrease in provisions	1.43	0.94
Cash Generated From/ (Used in) Operations	(490.96)	(466.90)
- Taxes (Paid) / Refunds (Net)	(29.44)	(8.66)
Net Cash Generated From/ (Used) in Operating Activities	(520.40)	(475.57)

AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Aye Finance Private Limited
Statement of cash flows for the year ended March 31, 2020
All amounts are in ₹ crores unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment and intangible assets	(6.64)	(3.02)
Proceeds from sale of assets	0.02	0.02
Purchase of investment at amortised cost	(1,171.00)	(1,034.90)
Proceeds from sale of investments	1,246.13	1,011.90
Bank balances not considered as cash and cash equivalents	(30.15)	(9.24)
Interest received on deposits with bank	4.03	2.78
Net Cash Generated From / (Used) in Investing Activities	42.38	(32.56)
Cash Flow From Financing Activities:		
Proceeds from debts	395.78	246.83
Proceeds from borrowings	534.59	330.63
Repayment of debts	(9.68)	(2.25)
Repayment of borrowings	(290.01)	(254.92)
Purchase of equity	(0.00)	380.39
Interest Paid	(120.93)	(63.34)
Net Cash Generated from / (Used in) Financing Activities	509.74	637.34
Net Increase/ (Decrease) in Cash and Cash Equivalents	32	129
Cash and Cash Equivalents at the Beginning of the Year	140.43	11.22
Cash and Cash Equivalents at the end of the year	172.15	140.43
Cash and Cash Equivalents at the end of the year comprises of		
Cash in hand	2.18	1.38
Cheques on Hand	-	-
Balances with Banks in Current Accounts	119.93	54.05
Others	50.04	85.00
TOTAL	172.15	140.43

See accompanying notes forming part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sameer Rohatgi
Digitally signed by Sameer Rohatgi
Date: 2020.07.27 19:28:03 +05'30'
Sameer Rohatgi
Partner

Place : Gurugram

For and on behalf of the board of Directors

SANJAY SHARMA
Digitally signed by SANJAY SHARMA
Date: 2020.07.27 16:39:53 +05'30'

Sanjay Sharma
Managing Director
DIN: 03337545

VIKRAM JETLEY
Digitally signed by VIKRAM JETLEY
Date: 2020.07.27 12:34:05 +05'30'

Vikram Jetley
Director
DIN: 06530212

TRIPTI PANDEY
Digitally signed by TRIPTI PANDEY
Date: 2020.07.27 13:45:25 +05'30'

Tripti Pandey
Company Secretary
M. No. - 32760

ASHISH SHARMA
Digitally signed by ASHISH SHARMA
Date: 2020.07.27 13:45:25 +05'30'

Ashish Sharma
Chief Financial Officer

AYE FINANCE PVT. LTD.
Authorized Signatory

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Aye Finance Private Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh)
Issue Date / Date of Allotment	Issue Opening Date: July 28, 2022 Deemed Date of Allotment: July 28, 2022
Redemption Date / Maturity Date	Redemption Date / Maturity Date: 60 (sixty) months from the Deemed Date of Allotment, i.e, July 28, 2022 (subject to Business Day Convention).
Coupon Rate	11.1569% (eleven decimal one five six nine percent) per annum, net of withholding tax. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent) per annum.
Frequency of the Coupon Payment with specified dates	Coupon payable Semi-annually. First Coupon on January 28, 2023 and subsequently on July 28 and January 28 of every calendar year until Maturity Date (subject to Business Day Convention).
Day Count Convention	Actual/Actual

Scenario 1: In case Put Option / Call Option is exercised on the Put Option Date / Call Option Date being July 28, 2025 and Coupon Rate is not reset at the Coupon Reset Date:

Cash Flows	Interest Accrual Date	Interest Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Amount (in Rupees)	Outstanding Principal Amount (in Rupees)	Principal Payment Date
Issue amount	July 28, 2022	-	-	-	-	31,00,00,000	-
1st Coupon	January 28, 2023	January 30, 2023	184	1,74,35,331	-	31,00,00,000	-
2nd Coupon	July 28, 2023	July 28, 2023	181	1,71,51,059	-	31,00,00,000	-
3rd Coupon	January 28, 2024	January 29, 2024	184	1,74,28,341	-	31,00,00,000	-
4th Coupon	July 28, 2024	July 29, 2024	182	1,71,98,697	-	31,00,00,000	-
5th Coupon	January 28, 2025	January 28, 2025	184	1,73,94,684	-	31,00,00,000	-
6th Coupon	July 28, 2025	July 28, 2025	181	1,71,51,059	31,00,00,000	-	July 28, 2025

Scenario 2: In case Put Option / Call Option is not exercised on the Put Option Date / Call Option Date and Coupon Rate is not reset at the Conpon Reset Date:

Cash Flows	Interest Accrual Date	Interest Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Amount (in Rupees)	Outstanding Principal Amount (in Rupees)	Principal Payment Date
Issue amount	July 28, 2022	-	-	-	-	31,00,00,000	-
1st Coupon	January 28, 2023	January 30, 2023	184	1,74,35,331	-	31,00,00,000	-
2nd Coupon	July 28, 2023	July 28, 2023	181	1,71,51,059	-	31,00,00,000	-
3rd Coupon	January 28, 2024	January 29, 2024	184	1,74,28,341	-	31,00,00,000	-
4th Coupon	July 28, 2024	July 29, 2024	182	1,71,98,697	-	31,00,00,000	-
5th Coupon	January 28, 2025	January 28, 2025	184	1,73,94,684	-	31,00,00,000	-
6th Coupon	July 28, 2025	July 28, 2025	181	1,71,51,059	-	31,00,00,000	-
7th Coupon	January 28, 2026	January 28, 2026	184	1,74,35,331	-	31,00,00,000	-
8th Coupon	July 28, 2026	July 28, 2026	181	1,71,51,059	-	31,00,00,000	-
9th Coupon	January 28, 2027	January 28, 2027	184	1,74,35,331	-	31,00,00,000	-
10th Coupon	July 28, 2027	July 28, 2027	181	1,71,51,059	31,00,00,000	-	July 28, 2027

for AYE FINANCE PVT. LTD.

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CATALYST
Believe in yourself. Trust us!

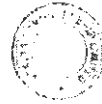


- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the issuer to service the debt securities.

Place: Mumbai
Date: July 11, 2022

For Catalyst Trusteeship Limited



[Handwritten Signature]
Authorized Signatory

Authorized Signatory



For AYE FINANCE PVT LTD.

Authorized Signatory

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**ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE
AGREEMENT**

Attached separately.

TOI AYE FINANCE PVT. LTD.

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ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street - Mumbai - 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: 167120MH2005PLC15519R



DCS/COMP/AA/IP-PPDI/157/22-23

July 14, 2022

Aye Finance Private Limited

M-5, Magnum House-1, Mezzanine Floor, Community Centre Karanpura, Opp. Milan Cinema,
New Delhi -110015

Dear Sir,

Re: Re: Private Placement 310 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures each having a face value of Rs. 10,00,000/- of the aggregate nominal value of Rs.31 Crore (The "Issue").

We acknowledge receipt of your application on the online portal on July 14, 2022 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant In-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors :
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610_31
7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILOM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#)
8. It is advised that face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
9. Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

THE AYE FINANCE PVT. LTD.


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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai - 400 001, India
T : +91 22 2722 8045 / 8055 F : +91 22 2722 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188



This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, whichever is applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/b13 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter

Yours faithfully,

For BSE Limited

Sd/-
Rupal Khandelwal
Assistant General Manager

Sd/-
Raghavendra Bhat
Deputy Manager



For AYE FINANCE PVT. LTD.

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ANNEXURE X: LENDING POLICY

1.1 Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:

1.1.1. Lending policy: Should contain overview of origination, risk management, monitoring and collections:

We follow a program-based lending approach and our lending parameters focuses on:

- o Criteria for approving a loan application
- o Extent and the authorities allowing 'deviation' from the criteria.
- o Metrics on which effectiveness of the credit underwriting and of the overall loan product shall be measured

Our Credit assessment (underwriting) of the Loan applications from prospective borrowers is founded on evaluating their:

- Ability to repay (Cash flow stability/good running business/stable banking relationship);
- Intent (Good credit history/positive references/stable banking relationship); and
- Traceability (business and residence stability).

It typically comprises review of the following items to assess the applicant's creditworthiness.

- l Borrower
- KYC Documents
- l Reference checks
- l Borrowing history (Credit Bureau)
- Banking Conduct (Bank Statement review)
- Income Assessment & Financial Ratios Analysis
- Collateral (property) assessment

Our underwriting process includes document collection, physical visits at multiple levels, cash flow assessment through non-traditional methods, loan and instalment amount assessment by various business financial ratios such as fixed obligation to income ratio, instalment to income ratio among others, credit bureau checks wherever applicable, referral checks among others.

We have credit appraisal/risk management systems and processes in place to manage the inherent risks/challenges in the business such as traceability of the borrower, contagion impact on clusters, non availability of formal documents amongst others. The company has put in place technology based operational control methods and systems, and internal control infrastructure such as loan utilisation visits/loan review visits which are well aligned with its underwriting and collection processes.

Collection strategy for Aye Finance is based on risk assessment of collectable accounts and the associated collection cost. It is designed to meet the Collection objectives. The focus of our strategy is on the collection effort on the front end and to organize collection follow-up for all workable delinquent accounts in a cost-effective manner, special focus on early DPD and on high risk accounts to minimize the follow-through and losses.

1.1.2. Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.:

NA

For AYE FINANCE PVT LTD

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1.1.3. Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:

<i>Region</i>	<i>Principal O/s</i>
North	751.07
South	202.04
East	212.75
West	342.65

<i>Balance Tenure (Months)</i>	<i>Principal O/s</i>
Upto 12	167.98
13-24	811.73
25-36	348.34
37-48	126.69
49-60	37.05
Above 60	16.71

<i>Product</i>	<i>Principal O/s</i>
HL	1341.84
ML	9.30
QML	157.38

<i>Gross Loan Amt Bucket(Rs.)</i>	<i>Principal O/s</i>
Below Rs 1.5 lakhs	732.22
Between Rs 1.5 lakh to Rs 3 Lakh	651.35
Between Rs 3 lakh to Rs 4 Lakh	90.62
Between Rs 4 lakh to Rs 5 Lakh	24.07
Between Rs 5 lakh to Rs 6 Lakh	5.74
Between Rs 6 lakh to Rs 8 Lakh	1.92
Above Rs 8 lakh	2.59

<i>Industry Segment</i>	<i>Principal O/s</i>
Agriculture	557.28
Manufacturing	251.90
Service	84.57

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Trading	614.77
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1.1.4. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time:

APPLICANT NAME	Types of Borrowers	PRODUCT	Total Sanctioned	Total Disbursed	Undisbursed Amount	Total Principal Outstanding	Status of Account
AFZAL HUSSAIN	INDIVIDUAL	QML	1,800,000	1,800,000	-	1,643,039	Standard
VIJAY JAISWAL	INDIVIDUAL	ML	2,000,000	2,000,000	-	1,534,013	Standard
ISHAK	INDIVIDUAL	ML	1,300,000	1,300,000	-	1,305,227	Sub-Standard
MAHAVIR PRASAD GOYAL	INDIVIDUAL	ML	1,500,000	1,500,000	-	1,184,350	Standard
ANIL KUMAR	INDIVIDUAL	ML	1,430,000	1,430,000	-	1,133,376	Sub-Standard
MUKESH	INDIVIDUAL	ML	1,200,000	1,200,000	-	902,904	Standard
UTTAM BHASKAR PATIL	INDIVIDUAL	ML	900,000	900,000	-	844,371	Standard
MOHD SABIR	INDIVIDUAL	ML	1,000,000	1,000,000	-	836,076	Standard
MOHAMMAD IMRAN	INDIVIDUAL	ML	1,000,000	1,000,000	-	831,941	Standard
PRATAP	INDIVIDUAL	ML	1,000,000	1,000,000	-	825,933	Standard
MOHD MUSTAQEEM	INDIVIDUAL	ML	800,000	800,000	-	804,122	Standard
KENCHAPPA	INDIVIDUAL	ML	1,000,000	1,000,000	-	792,441	Standard
AMBAR	INDIVIDUAL	QML	900,000	900,000	-	754,518	Standard
SUNIL	INDIVIDUAL	ML	900,000	900,000	-	749,907	Standard
MOHD DARVESH ANSARI	INDIVIDUAL	ML	800,000	800,000	-	741,073	Standard
TOFAN SINGH	INDIVIDUAL	ML	1,000,000	1,000,000	-	723,860	Standard
SHRISHAIL	INDIVIDUAL	QML	720,000	720,000	-	710,927	Standard
RAVI PAL	INDIVIDUAL	ML	1,300,000	1,300,000	-	710,375	Standard
SIKANDER ABBAS	INDIVIDUAL	ML	900,000	900,000	-	699,467	Standard
BHAGWATI	INDIVIDUAL	ML	900,000	900,000	-	684,234	Standard

Particulars	As at Dec 31, 2021 (Values in Cr)
Total Amount of Top 20 Borrowings	1.84
%age of amount of Top 20 Borrowings to total AUM	0.0%

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1.1.5. Details of loans, overdue and classified as non-performing in accordance with RBI stipulations:

Particulars	As at 31st December, 2021
Standard	1,392.03
Sub Standard	106.05
Doubtful	10.44

1.2 In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made by such Issuer:

9.2.1. A portfolio summary with regard to industries/ sectors to which borrowings have been made:

Industry Segment	No. of loans	Principal O/s
Agriculture	59,237	557.28
Manufacturing	28,961	251.90
Service	13,782	84.57
Trading	67,289	614.77

9.2.2. NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:

Particular (Values in Cr)	FY 19(A)	FY 20(A)	FY 21(A)
Net NPA%	0.10%	0.11%	0.80%
Gross NPA	17.22	39.67	51.98
Net NPA	1.04	2.41	12.40

9.2.3. Quantum and percentage of secured vis-à-vis unsecured borrowings made:

Product	Secured/Unsecured	No. of loans	Principal O/s	Concentration
HL & QML	Unsecured	168,981	1,499.22	99.38%
ML	Secured	288	9.30	0.62%

9.2.4. Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

NA

1.3 Classification of loans/ advances given according to:

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9.3.1. Type of loans:

Details of types of loans

S. No.	Type of loans	INR, Crore
1	Secured	1,499.22
2	Unsecured	9.30
	Total assets under management (AUM)*^	1,508.53

*Information required at borrower level (and not by loan account as customer may have multiple loan accounts);

^Issuer is also required to disclose off balance sheet items;

Note: Off Balance sheet AUM : Nil

9.3.2. Denomination of loans outstanding by loan-to-value:

Details of LTV

S. No.	LTV (at the time of origination)	Percentage of AUM
1.	Up to 40%	0.004%
2.	40-50%	0.001%
3.	50-60%	0.002%
4.	60-70%	0.007%
5.	70-80%	0.003%
6.	80-90%	0.006%
7.	>90	1.978%
	Total	2.001%

9.3.3. Sectoral exposure:

Details of sectoral exposure

S. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	Retail	100%
(A)	Mortgages (home loans and loans against property)	N.A.
(B)	Gold loans	N.A.
(C)	Vehicle finance	N.A.
(D)	MFI	N.A.
(E)	MSME	100%
(F)	Capital market funding (loans against shares, margin funding)	N.A.
(G)	Others	N.A.
2.	Wholesale	N.A.
(A)	Infrastructure	N.A.
(B)	Real estate (including builder loans)	N.A.
(C)	Promoter funding	N.A.
(D)	Any other sector (as applicable)	N.A.
(E)	Others	N.A.
	Total	100%

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9.3.4. Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Up to INR 2 lakh	93.89%
2.	INR 2-5 Lakh	6.06%
3.	INR 5-10 Lakh	0.05%
4.	INR 10-25 Lakh	0.00%
5.	INR 25-50 Lakh	N.A.
6.	INR 50 Lakh - 1 crore	N.A.
7.	INR 1-5 crore	N.A.
8.	INR 5-25 crore	N.A.
9.	INR 25-100 crore	N.A.
10.	> INR 100 crore	N.A.
	Total	100%

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);

9.3.5. Geographical classification of borrowers:

Top 5 states borrower wise –

S. No.	Top 5 States	Percentage of AUM
1.	UTTAR PRADESH	18.21%
2.	RAJASTHAN	15.01%
3.	HARYANA	9.75%
4.	MADHYA PRADESH	9.11%
5.	PUNJAB	7.81%
	Total	59.89%

9.3.6. Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA (As per latest audited Financials)

Particular (Values in Cr)	FY 21(A)
Net NPA%	0.80%
Movement of NPA (Gross)	
Opening balance	396.7
Additions during the year	44.51
Reductions during the year	(32.20)
Closing balance	51.98
Movement of Net NPA	
Opening balance	2.41
Additions during the year	10.44
Reductions during the year	(0.45)
Closing balance	12.40

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Movement of provisions for NPAs (Excl. Provisions on Standard asset)	
Opening balance	37.26
Provisions made during the year	34.07
Write-off/write-back of excess provisions	(31.75)
Closing balance	39.58

**Please indicate the gross NPA recognition policy (Day's Past Due)*
90 DPD and above cases are considered as NPA

9.3.7. Segment-wise gross NPA:

Segment wise gross NPA (As at 31st Dec 2021)

S. No.	Segment-wise gross NPA	Gross NPA (%)
1.	Retail	7.72%
(A)	Mortgages (home loans and loans against property)	N.A.
(B)	Gold loans	N.A.
(C)	Vehicle loans	N.A.
(D)	MFI	N.A.
(E)	MSME	7.72%
(F)	Capital market funding (loans against shares, margin funding)	N.A.
(G)	Others	N.A.
2.	Wholesale	N.A.
(A)	Infrastructure	N.A.
(B)	Real estate (including builder loans)	N.A.
(C)	Promoter funding	N.A.
(D)	Any other sector (as applicable)	N.A.
(E)	Others	N.A.
	Total	7.72%

9.3.8. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities

Category	Up to 30/31 days	>1 month - 2 months	>2 months - 3 months	>3 months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	> 5 years	Total
Deposit	0	0	0	0	0	0	0	0	0
Advances	76.02	79.38	77.11	216.48	409.41	631.28	17.84	1.01	1,508.53
Investments (TDI)	29.96	81.98	33.33	63.94	138.64	2.70	0	0	324.00

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Borrowings	6.78	76.28	18.94	151.35	278.55	645.80	27.25	0.00	1204.98
FCA*	0	0	0	0	0	0	0	0	0
FCL*	0	0	0	0	0	0	0	0	0

*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities :

Note: Unhedged Foreign currency exposure is Nil

1.4 Disclosure of latest ALM statements to stock exchange:

NA

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE XI: ALM STATEMENTS

N.A.

GRACE FINANCE PVT. LTD

Authorized Signatory

ANNEXURE XII: BOARD RESOLUTION



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE BOARD MEETING HELD ON THURSDAY, 26TH MAY 2022 AT 3:15 P.M. DEEMED TO BE HELD AT ITS CORPORATE OFFICE OF THE COMPANY SITUATED AT UNIT NO. 701-711, 7TH FLOOR, UNITECH COMMERCIAL TOWER-2, SECTOR-45, ARYA SAMAJ ROAD, BLOCK B, GREENWOOD CITY, GURGAON, HARYANA - 122003, INDIA.

ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed, and subject to such approvals, consents, sanctions, permissions as may be required from any statutory or regulatory authority, and subject to such conditions or modifications which may be agreed to by the board of directors of the Company ("Board"), the approval of the Board be and is hereby given for:

- (a) issue and allotment of 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures denominated in Indian Rupees ("INR") having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 31,00,00,000 (Indian Rupees Thirty One Crore) or such other number of debentures, face value and amount as may be determined ("Debentures"), at 11.1569% (eleven decimal one five six nine percent) per annum, net of withholding tax (as of the date hereof, the gross coupon rate inclusive of withholding tax would be 11.8469% (eleven decimal eight four six nine percent) per annum), or such other interest rate as may be agreed, payable semi-annually or at such other interest periods as may be agreed, subject to a coupon reset on such terms as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for a period of 60 (sixty) months from the deemed date of allotment or such other maturity period (subject to applicable law) as may be agreed, subject to a put option and/or a call option after the expiry of 36 (thirty six) months from the deemed date of allotment on such terms as may be agreed, on a private placement basis to the Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF (AfrAsia Sub-fund) (being the identified persons for the purposes of Section 42 of the Act) ("Investors") for raising debt for enabling the Company to continue operations and address the impact of COVID-19 pandemic on the Company's operations and portfolio and to enable the Company to provide access to liquidity for its micro, small and medium enterprise (MSME) clients and for such other purposes as may be agreed with the Investors; and
- (b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon (up to such limits and security cover as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the "Security")."

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

Registered Office: M-5, Magnum House-I, Mezzanine Floor, Community Centre Karampura, Opp. Milan Cinema, New Delhi -110015

Ph: 0124-4844000; e-mail: corporate@ayefin.com; website: www.ayefin.com

AYE FINANCE PVT. LTD.
Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

RESOLVED FURTHER THAT Mr. Sanjay Sharma, Managing Director, Mr. Samir Mehta, Deputy CEO, Mr. Mayank Shyam Thatte, Chief Financial Officer, Mr. Pradeep Kumar Soni, AVP Finance and Ms. Tripti Pandey, Company Secretary or such other persons as may be authorised by the Board (collectively, the "Authorised Persons") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

- (a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (b) executing the term sheet in relation to the Debentures;
- (c) negotiating, approving and deciding the terms of the issue, offer and allotment of the Debentures and all other related matters;
- (d) seeking the listing of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;
- (e) (if so required) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"" issued by SEBI;
- (f) (if so required) providing such information or documents to the debenture trustee in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" issued by SEBI;
- (g) (if so required) providing such information/disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the requirements of the circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" issued by SEBI;
- (h) approving the placement memorandum and the private placement offer cum application letter ("Disclosure Documents") (including amending, varying or modifying the Disclosure Documents, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (i) finalising the terms and conditions of the appointment of an arranger (if required), a debenture trustee, a registrar and transfer agent, a credit rating agency, a legal counsel, the depository(ies) and such other intermediaries including their successors and their agents, as may be required in relation to the issue, offer and allotment of the Debentures;
- (j) finalising the terms of the issue, offer and allotment of the Debentures;
- (k) entering into arrangements with the depository(ies) in connection with the issue, offer and allotment of the Debentures in dematerialised form;
- (l) creating and perfecting the Security as required in accordance with the terms of the Transaction

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Ph: 0124-4844000; e-mail: corporate@ayefin.com; website: www.ayefin.com

For AYE FINANCE (PVT) LTD.

Authorized Signatory



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

Documents (as defined below) in relation to the issue, offer and allotment of the Debentures;

- (m) finalising the deemed date of allotment of the Debentures;
- (n) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository(ies), and such other authorities as may be required;
- (o) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository(ies);
- (p) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- (q) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and / or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):
 - (i) the Disclosure Documents for the issue, offer and allotment of the Debentures;
 - (ii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and assets, or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "Transaction Documents");
 - (iii) the debenture certificates for the Debentures;
 - (iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
 - (v) any other document designated as a Transaction Document by the debenture trustee/holders of the Debentures;
- (r) do all such acts necessary for the issue, offer and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and
- (s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the

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Ph: 0124-4844000; e-mail: corporate@ayefin.com; website: www.ayefin.com

For AYE FINANCE (P) LTD.

Authorised Signatory



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

necessary forms with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or the depository(ies), and/or any other relevant governmental authorities.

RESOLVED FURTHER THAT the Board hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the issuance and allotment of the Debentures and the listing of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnities and documents as may be required, or any of them in connection with the Debentures to be issued by the Company.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures.

RESOLVED FURTHER THAT copies of the foregoing resolutions certified to be true copies by the Managing Director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

CERTIFIED TRUE COPY

For Aye Finance Pvt Ltd


Tripti Handey
Company Secretary
M No: 32760



Date: July 11, 2022
Place: Gurugram

AYE FINANCE PVT LTD

Authorised Signatory

ANNEXURE XIII: SHAREHOLDERS RESOLUTION



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

CERTIFIED TRUE COPY OF A SPECIAL RESOLUTION PASSED AT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AYE FINANCE PVT. LTD. HELD ON FRIDAY, 9TH DAY OF OCTOBER, 2020 AT 03:00 P.M. DEEMED TO BE CALLED AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT M-5, MAGNUM HOUSE-I, COMMUNITY CENTRE, KARAMPURA NEW DELHI WEST DELHI-110015.

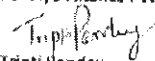
INCREASE OF BORROWING LIMIT OF THE COMPANY FROM RS. 2000 CRORES TO RS. 3000 CRORES AND CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under as amended from time to time, and the articles of association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies on such terms and conditions with or without security as the Board may deem fit which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves provided that the total amount of money/moneys so borrowed by the Board shall not exceed Rs. 3000 crores/- (Rupees Three Thousand crores) at any point of time.

RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder as amended from time to time, consent of the members be and is hereby accorded to the Board to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, investors 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 rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as the “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, 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, shall not exceed Rs. 3000 crores/- (Rupees Three Thousand crores) at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertakings, as may be necessary for giving effect to the above resolution.”

For Aye Finance Pvt Ltd


Tripti Handey
Company Secretary
M No: 32760



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

INCREASE OF BORROWING LIMIT OF THE COMPANY FROM RS. 2000 CRORES TO RS. 3000 CRORES AND CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company.

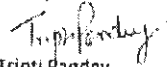
As per the provisions of Section 180 (1) (c) and Section 180 (1) (a) respectively of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid-up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of the members of the Company by way of a Special Resolution. Hence, it is proposed to increase the maximum borrowing limits upto Rs. 3000 crores (Rupees Three Thousand Crores only).

In order to facilitate securing the borrowing made by the Company, it would be necessary to create the charge on the assets or whole of the undertaking of the Company. Section 180 (1)(a) of the Companies provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking by the Company subject to the approval of the members in general meeting.

Accordingly, the consent of the members is sought under Section 180 (1)(c) and Section 180(1)(a) of the Companies Act, 2013.

The approval is requested to empower the Board of Directors of the Company to take all necessary steps in this regard.

For Aye Finance Pvt Ltd


Tripti Handey
Company Secretary
M No: 32760



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

CERTIFIED TRUE COPY OF A SPECIAL RESOLUTION PASSED AT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AYE FINANCE PVT. LTD. HELD ON FRIDAY, 9TH DAY OF OCTOBER, 2020 AT 03:00 P.M. DEEMED TO BE CALLED AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT M-5, MAGNUM HOUSE-I, COMMUNITY CENTRE, KARAMPURA NEW DELHI WEST DELHI-110015.

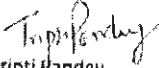
TO CONSIDER, DISCUSS AND APPROVE THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES AMOUNTING UPTO RUPEES 2500 CRORES

"RESOLVED THAT in supersession to any resolution passed by the Board in this regard, and under Section 42 of the Companies Act, 2013 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the memorandum of association and the articles of association of the Company, consent of the members of the Company be and is hereby accorded to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ((a) subordinated, (b) listed or unlisted, (c) senior secured, (d) senior unsecured, (e) unsecured, (f) any others (as may be determined)) ("NCDs")/bonds and other instruments, on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing of this resolution, provided that the outstanding amount at any time during the period shall not exceed INR 2500,00,00,000/- (Indian Rupees Two Thousand Five Hundred Crores only) within the overall borrowing limits of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT the aforesaid resolutions shall come into effect immediately and copies of the foregoing Resolution certified to be true copies by any of the Directors may be furnished to such parties as may be deemed necessary for their information and records".

For Aye Finance Pvt Ltd


Tripti Handey
Company Secretary
M No: 32760



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AYE FINANCE PVT. LTD. HELD ON TUESDAY, 12TH DAY OF OCTOBER, 2021 AT 4:00 P.M. DEEMED TO BE CALLED AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT M-5, MAGNUM HOUSE-I, COMMUNITY CENTRE, KARAMPURA NEW DELHI WEST DELHI-110015.

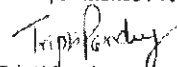
TO CONSIDER, DISCUSS AND APPROVE THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES AMOUNTING UPTO RUPEES 2500 CRORES

"RESOLVED THAT in supersession to any resolution passed by the shareholders of the Company under Section 42 of the Companies Act, 2013 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the memorandum of association and the articles of association of the Company, the approval and consent of the members of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the "Board") to issue, and to make offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ((a) subordinated, (b) listed or unlisted, (c) senior secured, (d) senior unsecured, (e) unsecured, (f) any others (as may be determined)) ("NCDs")/bonds and other instruments, on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing of this resolution, provided that the outstanding amount at any time during the period shall not exceed INR 2500,00,00,000/- (Indian Rupees Two Thousand Five Hundred Crores only) within the overall borrowing limits of the Company.

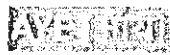
RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT the aforesaid resolutions shall come into effect immediately and copies of the foregoing Resolution certified to be true copies by any of the Directors may be furnished to such parties as may be deemed necessary for their information and records".

For Aye Finance Pvt Ltd


Tripti Pandey
Company Secretary
M No: 32760





AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 2

To consider, discuss and approve the issuance of Non-convertible Debentures amounting upto Rupees 2500 crores.

In order to enable the Company to raise additional long-term finance, the Company proposes to raise funds by issuing non-convertible debentures ("NCDs") on a private placement basis, from time to time.

Pursuant to Section 42 and 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, a Company offering or making an invitation to subscribe to NCDs on a private placement basis, is required to obtain the prior approval of its members by means of a Special Resolution.

Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of the issue of NCDs exceeding the limits prescribed in Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such NCDs issued during a period of one year from the date of passing of the aforementioned special resolution.

In order to meet the financial needs of business in a prudent manner, the Company may offer or invite subscription for securities which may comprise of secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable NCDs and/or other debt securities to any other body corporate, fund, trust, institution, firm, society, individual or person, in 1 (one) or more tranches on private placement basis, upto a maximum limit of INR 2500,00,00,000/- (Indian Rupees Two Thousand Five Hundred Crores only) for a period of 1 (One) year from the date of passing of the resolution on such terms and conditions including the price, coupon, premium/discount, tenor etc. as may be determined by the Board of Directors ("Board") (or any person authorized by the Board), at the prevailing market condition.

The Disclosures required under The Companies (Prospectus and Allotment of Securities) Rules, 2014 are as under:

(a) particulars of the offer including date of passing of Board resolution-

Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during the year.

In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs (whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures) NCDs) shall be decided from time to time, within the period of 1 year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/issue of NCDs.

Unit: **AYE FINANCE (P) LTD.**, Greenwood City, Gurgaon Haryana, 122003
Registered Office: M-5, Magnum House-I, Mezzanine floor, Community Centre Karampura, Opp. Milan Cinema, New Delhi - 110015
Ph: 0124-4844000, Email: corporate@ayefin.com; website: www.ayefin.com
Non-convertible debt securities, NCDs

For AYE FINANCE PVT. LTD.

Authorized Signatory

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



AYE FINANCE (P) LTD.

CIN : U65921DL1993PTC283660

The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.

(c) basis or justification for the price (including premium, if any) at which the offer or invitation is being made-

Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board, in discussions with the relevant investor(s).

(d) name and address of valuer who performed valuation-

Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.

(e) amount which the company intends to raise by way of such securities-

The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed INR 2500,00,00,000/- (Indian Rupees Two Thousand Five Hundred Crores only) within the overall borrowing limits of the Company.

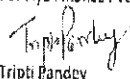
(f) material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities-

The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 year from the date of the afore mentioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.

The Board recommend the Resolution of the accompanying Notice, for the approval of the Members of the Company as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

For Aye Finance Pvt Ltd


Tripti Pandey
Company Secretary
M No: 32760

Date: 27-09-2021

Place: Gurugram

Date: August 1, 2022

TO:

1. **BSE LIMITED**
2. **COVID-19 EMERGING AND FRONTIER MARKETS
MSME SUPPORT FUND SCSP SICAV-RAIF (AFRASIA SUB-FUND)
REPRESENTED BY BLUEORCHARD INVEST S.À R.L**
31, rue Z.A. Bourmicht, L-8070, Bertrange
Grand Duchy of Luxembourg

3. **CATALYST TRUSTEESHIP LIMITED**
GDA House, First Floor
Plot No. 85 S. No. 94 & 95
Bhusari Colony (Right), Kothrud
Pune - 411038, Maharashtra, India

RE: ADDENDUM TO THE PLACEMENT MEMORANDUM AND PRIVATE PLACEMENT OFFER AND APPLICATION LETTER DATED JULY 20, 2022 ("ADDENDUM LETTER")

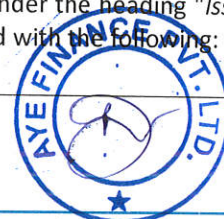
1. Pursuant to the placement memorandum and the private placement offer cum application letter dated July 20, 2022 ("**Placement Memorandum**") issued by Aye Finance Private Limited ("**Company**" or "**Issuer**"), the Issuer has issued 310 (three hundred and ten) secured, rated, listed, redeemable, transferable, non-convertible debentures denominated in Indian Rupees ("**INR**") having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 31,00,00,000 (Indian Rupees Thirty One Crore) ("**Debentures**") on a private placement basis ("**Issue**").
2. The Company is now desirous of amending the Placement Memorandum in accordance with the terms of this Addendum Letter.
3. In Part A: Disclosures as per SEBI Debt Listing Regulations of the Placement Memorandum, the provision under the heading "*Issue Schedule*" is deemed to be deleted and is deemed to be replaced with the following:

"

21.	Issue Schedule	<p>Date of opening of the Issue: July 28, 2022</p> <p>Date of closing of the Issue: July 29, 2022</p> <p>Date of earliest closing of the Issue (if any): N.A.</p> <p>The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.</p>
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"

4. On Page 5 of the Placement Memorandum, the provision under the heading "*Issue Schedule Rate*" is deemed to be deleted and is deemed to be replaced with the following:



Issue Schedule	
Particulars	Date
Issue Opening Date	July 28, 2022
Issue Closing Date	July 29, 2022
Pay In Date	July 28, 2022/July 29, 2022
Deemed Date of Allotment	July 29, 2022

5. In Section 1 (*Definitions and Abbreviations*) of the Placement Memorandum, the definition of "Deemed Date of Allotment" is deemed to be deleted and is deemed to be replaced with the following:

Deemed Date of Allotment	July 29, 2022
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6. In Section 1 (*Definitions and Abbreviations*) of the Placement Memorandum, the definition of "Issue Closing Date" is deemed to be deleted and is deemed to be replaced with the following:

Issue Closing Date	July 29, 2022
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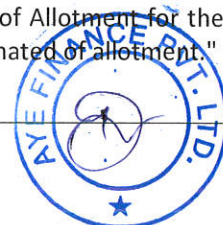
7. In Section 5.37 (*Issue Details*) of the Placement Memorandum, the provision under the heading "*Issue Timing*" is deemed to be deleted and is deemed to be replaced with the following:

Issue Timing	<p>Issue Opening Date: July 28, 2022 Issue Closing Date: July 29, 2022 Date of earliest closing of the Issue, if any: N.A Pay-in Date: July 28, 2022/July 29, 2022 Deemed Date of Allotment: July 29, 2022</p> <p>All documentation including, but not limited to, this Placement Memorandum, Board Resolution, Rating Letter, Rating Rationale along with detailed press release, Appointment of Debenture Trustee to be completed 1 (One) calendar days prior to Issue Opening Date unless otherwise specified.</p>
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8. Section 8.27 (*Deemed Date of Allotment*) of the Placement Memorandum is deemed to be deleted and is deemed to be replaced with the following:

"8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is July 29, 2022 by which date the Investors would be intimated of allotment."



9. In Section 10.7 (*Particulars of the Offer*) of the Placement Memorandum, the provision under the heading "*The proposed time within which the allotment shall be completed*" is deemed to be deleted and is deemed to be replaced with the following:

<p>The proposed time within which the allotment shall be completed</p>	<p>The Debentures will be deemed to be allotted on July 29, 2022 ("Deemed Date of Allotment"), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("Debenture Holders") within 2 (two) Business Days from the Deemed Date of Allotment, each in accordance with the debenture trust deed ("DTD") to be entered into between the Company and the debenture trustee ("Debenture Trustee").</p> <p>In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money, as prescribed under the Companies Act, 2013.</p>
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10. In Section 10.7 (*Particulars of the Offer*) of the Placement Memorandum, the provision under the heading "*Proposed time schedule for which the Issue/Offer Letter is valid*" is deemed to be deleted and is deemed to be replaced with the following:

<p>Proposed time schedule for which the Issue/Offer Letter is valid</p>	<p>Issue Open Date: July 28, 2022 Issue Closing Date: July 29, 2022 Pay-in Date: July 28, 2022/July 29, 2022 Deemed Date of Allotment: July 29, 2022</p>
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11. Annexure VI (*Illustration of Bond Cash Flows*) of the Placement Memorandum is deemed to be replaced with the provisions of Schedule I1 of this Addendum Letter.
12. All references to the time period of "36 (thirty six) months from the Deemed Date of Allotment" in respect of the "Coupon Reset Date" in the Placement Memorandum shall be deemed to be construed and interpreted as the "date falling on or around (or prior to) the completion of 36 (thirty six) months from the Deemed Date of Allotment".
13. All references to the time period of "36 (thirty six) months from the Deemed Date of Allotment" in respect of the "Exercise Date" in the Placement Memorandum shall be deemed to be construed and interpreted as the "date falling on or around (or prior to) the completion of 36 (thirty six) months from the Deemed Date of Allotment".
14. All references to the time period of "36 (thirty six) months from the Deemed Date of Allotment" in respect of the "Put Date" in the Placement Memorandum shall be deemed to



be construed and interpreted as the "date falling on or around (or prior to) the completion of 36 (thirty six) months from the Deemed Date of Allotment ".

15. All references to the time period of "36 (thirty six) months from the Deemed Date of Allotment" in respect of the "Call Date" in the Placement Memorandum shall be deemed to be construed and interpreted as the "date falling on or around (or prior to) the completion of 36 (thirty six) months from the Deemed Date of Allotment ".
16. All references to the time period of "60 (sixty) months from the Deemed Date of Allotment" in respect of the "Maturity Date" or "Redemption Date" or the tenor of the Debentures in the Placement Memorandum shall be deemed to be construed and interpreted as the "date falling on or around (or prior to) the completion of 60 (sixty) months from the Deemed Date of Allotment ".
17. This Addendum Letter is supplemental to and shall be read in conjunction with the Placement Memorandum.
18. I am authorized by the Board of Directors of the Company *vide* resolution number 08 dated May 26, 2022 to sign this Addendum Letter. Whatever is stated in this Addendum Letter is true, correct and complete and no information material to the subject matter of this Addendum Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
19. Capitalised terms used and not defined herein shall have the meaning given to them in the Placement Memorandum.

For **AYE FINANCE PRIVATE LIMITED**

For **AYE FINANCE PVT. LTD**



Authorised Signatory

Name: Pradeep Kumar Soni

Title: AVP-Finance

Date: August 1, 2022

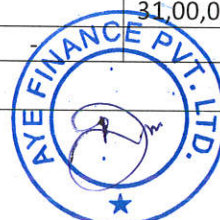
Pursuant to this Addendum Letter, the below shall be deemed to replace the existing Annexure VI of the Placement Memorandum, and shall be deemed to be incorporated as the new Annexure VI of the Placement Memorandum:

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Aye Finance Private Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh)
Issue Date / Date of Allotment	Issue Opening Date: July 28, 2022 Deemed Date of Allotment: July 29, 2022
Redemption Date / Maturity Date	Redemption Date / Maturity Date: 60 (sixty) months from the Deemed Date of Allotment, i.e, July 29, 2022 (subject to Business Day Convention).
Coupon Rate	11.1569% (eleven decimal one five six nine percent) per annum, net of withholding tax. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 11.8469% (eleven decimal eight four six nine percent) per annum.
Frequency of the Coupon Payment with specified dates	Coupon payable Semi-annually. First Coupon on January 28, 2023 and subsequently on July 28 and January 28 of every calendar year until Maturity Date (subject to Business Day Convention).
Day Count Convention	Actual/Actual

Scenario 1: In case Put Option / Call Option is exercised on the Put Option Date / Call Option Date being July 28, 2025 and Coupon Rate is not reset at the Coupon Reset Date:

Cash Flows	Interest Accrual Date	Interest Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Amount (in Rupees)	Outstanding Principal Amount (in Rupees)	Principal Payment Date
Issue amount	July 28, 2022	-	-	-	-	31,00,00,000	-
1st Coupon	January 28, 2023	January 30, 2023	184	1,74,35,331	-	31,00,00,000	-
2nd Coupon	July 28, 2023	July 28, 2023	181	1,71,51,059	-	31,00,00,000	-
3rd Coupon	January 28, 2024	January 29, 2024	184	1,74,28,341	-	31,00,00,000	-
4th Coupon	July 28, 2024	July 29, 2024	182	1,71,98,697	-	31,00,00,000	-
5th	January	January	184	1,73,94,684	-	-	-



Coupon	28, 2025	28, 2025			CIN : U65921DL1000100283660		
6th Coupon	July 28, 2025	July 28, 2025	181	1,71,51,059	31,00,00,000	-	July 28, 2025

Scenario 2: In case Put Option / Call Option is not exercised on the Put Option Date / Call Option Date and Coupon Rate is not reset at the Coupon Reset Date:

Cash Flows	Interest Accrual Date	Interest Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Payment Amount (in Rupees)	Outstanding Principal Amount (in Rupees)	Principal Payment Date
Issue amount	July 28, 2022	-	-	-	-	31,00,00,000	-
1st Coupon	January 28, 2023	January 30, 2023	184	1,74,35,331	-	31,00,00,000	-
2nd Coupon	July 28, 2023	July 28, 2023	181	1,71,51,059	-	31,00,00,000	-
3rd Coupon	January 28, 2024	January 29, 2024	184	1,74,28,341	-	31,00,00,000	-
4th Coupon	July 28, 2024	July 29, 2024	182	1,71,98,697	-	31,00,00,000	-
5th Coupon	January 28, 2025	January 28, 2025	184	1,73,94,684	-	31,00,00,000	-
6th Coupon	July 28, 2025	July 28, 2025	181	1,71,51,059	-	31,00,00,000	-
7th Coupon	January 28, 2026	January 28, 2026	184	1,74,35,331	-	31,00,00,000	-
8th Coupon	July 28, 2026	July 28, 2026	181	1,71,51,059	-	31,00,00,000	-
9th Coupon	January 28, 2027	January 28, 2027	184	1,74,35,331	-	31,00,00,000	-
10th Coupon	July 28, 2027	July 28, 2027	181	1,71,51,059	31,00,00,000	-	July 28, 2027

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