

September 30, 2026

## Aye Finance Limited (erstwhile Aye Finance (P) Ltd.): Ratings reaffirmed for PTCs issued under unsecured business loan securitisation transaction

### Summary of rating action

| Trust name                  | Instrument*   | Initial rated amount (Rs. crore) | Amount O/s after last surveillance (Rs. crore) | Current rated amount (Rs. crore) | Rating action            | Financial Sector Regulator <sup>#</sup> |
|-----------------------------|---------------|----------------------------------|------------------------------------------------|----------------------------------|--------------------------|-----------------------------------------|
| <b>AJANTA 01 TRUST 2024</b> | PTC Series A1 | 212.47                           | 140.86                                         | 75.60                            | [ICRA]AA(SO); reaffirmed | RBI                                     |
|                             | Series B PTCs | 17.29                            | 17.29                                          | 17.29                            | [ICRA]A+(SO); reaffirmed | RBI                                     |

\*Instrument details are provided in Annexure I

<sup>#</sup>SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### Rationale

The pass-through certificates (PTCs) are backed by a pool of unsecured business loan receivables originated by Aye Finance Limited {AFL (erstwhile Aye Finance (P) Ltd.)/Originator; rated [ICRA]A(Stable)}<sup>1</sup>. AFL is also the servicer for the transaction.

The ratings reaffirmation factors in the build-up of the credit enhancement cover on account of moderate pool amortisation and moderately healthy pool performance. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the August 2026 payout month.

### Pool performance summary

| Parameter                                                                     | AJANTA 01 TRUST 2024 |
|-------------------------------------------------------------------------------|----------------------|
| Payout month                                                                  | August 2026          |
| Months post securitisation                                                    | 26                   |
| Pool amortisation (as % of initial pool principal)                            | 31.6%                |
| PTC Series A1 amortisation                                                    | 64.4%                |
| Equity Tranche PTCs amortisation                                              | Nil                  |
| Cumulative collection efficiency <sup>2</sup>                                 | 91.9%                |
| Cumulative cash collateral (CC) utilisation                                   | 0.0%                 |
| CC available (% of balance pool)                                              | 4.4%                 |
| Principal subordination (% of balance pool principal) for PTC Series A1       | 55.2%                |
| Principal subordination (% of balance pool principal) for Equity Tranche PTCs | 45.0%                |

### Transaction structure

As per the transaction structure, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

#### Replenishment period

The replenishment period will be for 24 months from the transaction commencement date. During this period, PTC Series A1 investors will receive only the promised interest payouts on a monthly basis and the balance pool collections will be used by the trust to purchase fresh loan receivables as per the selection criteria such that the pool principal remains unchanged.

<sup>1</sup> The current rating rationale of the originator, available at this [link](#), provides its detailed rating history and rating transitions.

<sup>2</sup> (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

Further, as per the transaction structure, residual pool collections will be used to redeem the PTC Series A1, till the advance rate is more than or equal to 60%<sup>3</sup>. The advance rate is defined as outstanding amount of PTC Series A1 divided by sum of the principal outstanding value of all underlying loans (that are up to 30 days past due (dpd)) and cash collateral (CC). This will lead to buildup of subordination for the rated instruments.

The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period. If a trigger event occurs at any time during the replenishment period, then the tenure of the PTCs shall be reduced and be co-terminus with the remaining tenure of the pool of receivables assigned to the trust.

### Amortisation period

Post the replenishment period, the residual pool collections will be utilised to repay PTC Series A1. The monthly cash flow schedule will comprise of the promised interest payout for PTC Series A1. The principal for PTC Series A1 is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will either be used to prepay PTC Series A1 (if advance rate as defined earlier is more than or equal to 50%) or flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal. Post the payment of PTC Series A1, all pool collections will be used to repay Series B PTCs. The principal for Series B PTCs is promised on the final maturity date. Pool is currently in amortisation period.

The credit enhancement available in the structure is in the form of CC, principal subordination and the entire EIS in the structure. However, the principal subordination would build up during the replenishment period basis the transaction structure.

### Key eligibility criteria for the receivables

The eligibility criteria shall be met on commencement of the transaction and also at each replenishment event for all the new assets being added as well as for the updated pool (as applicable)

The following key eligibility criteria will have to be met:

- Loans are not overdue;
- Loans should not have been overdue more than 30 DPD on any date since origination;
- Concentration to any state in the underlying pool to not exceed 15%; However, for the states of UP, Bihar and Rajasthan, the limit shall be 20% and 5% for states of Gujarat, Delhi and Jammu;
- Weighted average Annualised Rate of Interest (without any fees) on the underlying loans in the pool to be minimum 24%;
- Weighted average net seasoning is at least 4 months;

### Trigger events for early amortisation

The following key early amortisation triggers which will lead to end of amortisation period:

- The Originator does not have sufficient loans (which meet the Eligibility Criteria)
- Cumulative default rate exceeds 6% in the first 12 months and exceeds 8% thereafter; cumulative default rate is defined principal of loans in 30 dpd or more divided by aggregate pool principal
- PTC outstanding is more than 87% of principal outstanding value of all underlying loans in the outstanding pool that are current
- CC has been utilised
- Downward revision in the Servicer's rating below BBB by any of the existing rating agencies
- Downward revision in the rating assigned to the PTC Series A1

<sup>3</sup> The advance rate threshold has been reduced from 70% at time of initial rating exercise to 60% basis investor approval

- Any default on its debt obligations by the Originator / Servicer or initiation of any insolvency proceedings by any lender of the Originator/Servicer or filing of insolvency application by any regulator of the Originator/Servicer

## Key rating drivers and their description

### Credit strengths

**Build-up of credit enhancement** – The rating factors in the build-up in the credit enhancement with the cash collateral (CC) increasing to ~4.4% of the balance pool principal from 3.0% at the time of securitisation. Credit support is also available through subordination/over-collateralisation of 55.3% for PTC Series A1 and 45.0% for Series B PTCs, and excess interest spread (EIS) of 18.0% of the balance pool principal.

**Moderate pool performance** – The pool's performance has been moderately healthy with a cumulative collection efficiency of ~92% as on August 2026 payout. The break-even collection efficiency is significantly lower than the actual collections seen in the pool. Further, there have been no instances of cash collateral utilisation for the pool till date owing to moderately healthy collection performance and the presence of EIS in the transaction.

**Adequate servicing capability of the originator** - The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections and recovery across a wide geography.

### Credit challenges

**Risks associated with lending business** – The performance of the pool would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. Further, pool will be exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

## Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at ~13.0% of the initial pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3% to 12% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

## Details of key counterparties

The key counterparties in the rated transaction is as follows:

| Transaction name | AJANTA 01 TRUST 2024         |
|------------------|------------------------------|
| Originator       | AFL                          |
| Servicer         | AFL                          |
| Trustee          | Catalyst Trusteeship Limited |

| Transaction name                   | AJANTA 01 TRUST 2024 |
|------------------------------------|----------------------|
| CC holding bank                    | HDFC Bank            |
| Collection and payout account bank | ICICI Bank           |

## Liquidity position

### Strong for PTC Series A1

The liquidity for PTC Series A1 is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement would be ~3.5 times the estimated loss in the pool.

### Adequate for Series B PTCs

The liquidity for Series B PTCs is adequate after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement would be ~3.0 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – The sustained strong collection performance of the underlying pool of contracts leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a ratings upgrade.

**Negative factors** – The sustained weak collection performance of the underlying pool of contracts leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer (Aye) could also exert pressure on the ratings.

## Analytical approach

The rating action is based on the performance of the pool till the August 2026 payout month, the present delinquency profile of the pool of contracts, the performance expected over the balance pool tenure, and the credit enhancement available in the transaction.

| Analytical approach             | Comments                                                           |
|---------------------------------|--------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Rating Methodology for Securitisation Transactions</a> |
| Parent/Group support            | Not applicable                                                     |
| Consolidation/Standalone        | Not applicable                                                     |

## About the originator

Aye Finance (P) Limited (Aye Finance) is a non-banking financial company, which provides loans to micro and small enterprises in semi-urban areas with an annual turnover of Rs. 10 lakh-1 crore. It offers loans either through hypothecation of working assets (81% of AUM as on June 30, 2025) or through mortgage properties (mortgage loan and quasi-mortgage loan constituted 17% and 2% of AUM, respectively, as on June 30, 2025). Secured loans comprised 57% of the on-book portfolio as on March 31, 2025. The company commenced operations in FY2014 and is founded under the leadership of Mr. Sanjay Sharma, who has experience in retail lending. Aye Finance is backed by private equity investors – Capital G (Google), Falcon Edge, SAIF Partners (Elevation), A91 Partners, LGT Impact, Maj Invest, British International Investments, ABC Impact and others. As on March 31, 2026, the company had operations in 21 states/Union Territories through 527 branches, managing a portfolio of Rs. 7,029 crore.

### Key financial indicators (audited)

| AFL                  | FY2024 | FY2025 | FY2026 |
|----------------------|--------|--------|--------|
| Total income         | 1,066  | 1,501  | 1,863  |
| Profit after tax     | 161    | 171    | 194    |
| Total managed assets | 5,360  | 6,971  | 7,773  |
| Gross stage 3        | 3.2%   | 4.2%   | 4.8%   |
| CRAR                 | 32.8%  | 34.9%  | 42.2%  |

Source: Company, ICRA Research; Amount in Rs. crore

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

| S. no. | Trust name           | Instrument    | Current rating (FY2027)          |                                  | Chronology of rating history for the past 3 years |                         |                         |                          |                         |
|--------|----------------------|---------------|----------------------------------|----------------------------------|---------------------------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
|        |                      |               | Initial rated amount (Rs. crore) | Current rated amount (Rs. crore) | Date & rating in FY2027                           | Date & rating in FY2026 | Date & rating in FY2025 |                          | Date & rating in FY2024 |
|        |                      |               |                                  |                                  | September 30, 2026                                | September 29, 2025      | September 13, 2024      | July 02, 2024            | -                       |
| 1      | AJANTA 01 TRUST 2024 | PTC Series A1 | 212.47                           | 75.60                            | [ICRA]AA(SO)                                      | [ICRA]AA(SO)            | [ICRA]AA(SO)            | Provisional [ICRA]AA(SO) | -                       |
|        |                      | Series B PTCs | 17.29                            | 17.29                            | [ICRA]A+(SO)                                      | [ICRA]A+(SO)            | [ICRA]A+(SO)            | Provisional [ICRA]A+(SO) | -                       |

### Complexity level of the rated instrument

| Instrument    | Complexity Indicator |
|---------------|----------------------|
| PTC Series A1 | Highly Complex       |
| Series B PTCs | Highly Complex       |

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

### Annexure I: Instrument details

| Trust name                  | Instrument    | Date of issuance/<br>Sanction | Coupon rate<br>(p.a.p.m.) | Maturity date     | Current rated amount<br>(Rs. crore) | Current Rating | Financial Sector Regulator <sup>#</sup> |
|-----------------------------|---------------|-------------------------------|---------------------------|-------------------|-------------------------------------|----------------|-----------------------------------------|
| <b>AJANTA 01 TRUST 2024</b> | PTC Series A1 | June 28, 2024                 | 10.60%                    | December 20, 2028 | 75.60                               | [ICRA]AA(SO)   | RBI                                     |
|                             | Series B PTCs |                               | 0.01%                     |                   | 17.29                               | [ICRA]A+(SO)   | RBI                                     |

Source: Company

<sup>#</sup>SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### Annexure II: List of entities considered for consolidated analysis

Not applicable

## ANALYST CONTACTS

**Manushree Saggar**  
+91 124 4545 316  
[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**  
+91 22 6114 3470  
[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Gaurav Mashalkar**  
+91 22 6114 3431  
[gaurav.mashalkar@icraindia.com](mailto:gaurav.mashalkar@icraindia.com)

**Shrikrishna Nazare**  
+91 22 6114 3432  
[shrikrishna.nazare2@icraindia.com](mailto:shrikrishna.nazare2@icraindia.com)

**Shruti Jain**  
+91 22 6114 3412  
[shruti.jain2@icraindia.com](mailto:shruti.jain2@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

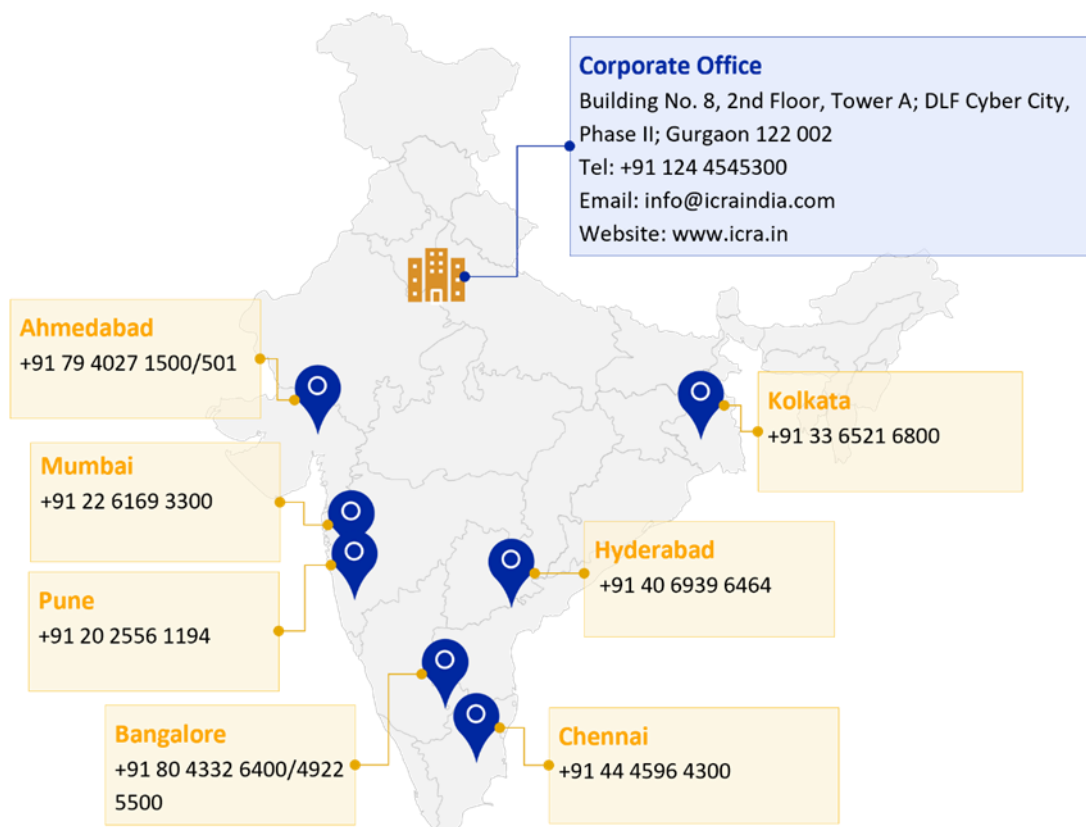


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.