

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARY

Proposed by:

Tripti Pandey
Company Secretary

Recommended By:

- Krishan Gopal
CFO
- Sanjay Sharma
MD

Approved by:

- Board on **05-01-2024**
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Aye Finance Private Limited (referred to as "The company") is a Gurgaon based NBFC which commenced its operations in April 2014. The Company has issued privately placed non-convertible Debentures which are listed debt market segment of Bombay Stock Exchange.

The Company has a wholly owned subsidiary section 8 company known as Foundation for Advancement of Mirco Enterprises (FAME) which carries out CSR activities on its behalf.

Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) ("SEBI LODR") required listed company to formulate a policy for determining its "material subsidiary" which shall mean a subsidiary, whose income or net worth exceeds 10 percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Since FAME is not for profit company and its income, profits etc. are not consolidated with the Company's books of accounts hence FAME shall not be considered as Material Subsidiary.

The policy shall be reviewed/revised by the Board of Directors of the Company as and when required in the future.