

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARY

Version 2.0

Approved by:

- Board of Directors on January 5, 2024

Latest Reviewed by:

- Board of Directors on February 7, 2025
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POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARY

Aye Finance Limited (*formerly known as Aye Finance Private Limited*) (referred to as "**the Company**") is a Non-Banking Financial Company ("**NBFC**"), classified as middle layer NBFC in accordance with Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 which commenced its operations in April 2014. The Company has issued privately placed non-convertible Debentures which are listed on wholesale debt market segment of BSE Limited.

The Company has a wholly owned subsidiary known as Foundation for Advancement of Mirco Enterprises ("**FAME**") incorporated under Companies Act, 2013 as section 8 company which carries out CSR activities on its behalf.

Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("**SEBI LODR**") required listed company to formulate a policy for determining its "material subsidiary" which shall mean a subsidiary, whose turnover or net worth exceeds 10 percent of the consolidated turnover 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 turnover, 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.

In the event of any conflict between the provisions of this Policy and the applicable law(s) or any other statutory enactments, rules, the provisions of applicable law(s) or statutory enactments, rules shall prevail over this Policy.