Annual Report 2024-25

Aavas Financiers Ltd

SAPNE AAPKE, SAATH HAMAARA

Driven by Purpose

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Forward-looking statement

This document contains statements about expected future events and financial and operating results of Aavas Financiers Limited, which are forward-looking. These statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of the Annual Report.

To download this report or to read it online **click here**

Driven by Purpose

> Purpose is the quiet force behind every bold step we take. It fuels progress, ignites transformation, and places people at the heart of every decision.

At Aavas, being driven by purpose means far more than delivering financial products – it means creating pathways to better lives, uplifting communities, and enabling dreams across the heart of Bharat.

Our journey is anchored in a powerful belief: that finance, when rooted in purpose, becomes a catalyst for deep, lasting impact. Purpose defines who we are, shapes how we operate, and clarifies why we exist. It inspires our culture, energises our teams, and builds enduring trust with those we serve.

Every loan we disburse is a step toward inclusion. Every home we help finance lays the foundation for stability, dignity, and generational progress. Across the vast and vibrant interior of India – affectionately known as Bharat – homeownership is more than a milestone; it is a symbol of achievement and a gateway to a brighter future. Yet for many, especially those in the informal sector, this dream remains just out of reach.

Aavas Financiers exists to bridge that gap. We offer housing finance that is accessible, responsible, and tailored to the realities of emerging India. We focus on underserved customers – those new to credit and new to mortgage – empowering them to build homes that anchor their ambitions and secure their futures.

But our purpose reaches beyond home loans. Through initiatives like Affordable Green Mortgages and Solar Finance, we champion sustainable living while ensuring affordability. These efforts are not side projects – they are central to our mission and essential to the change we seek to create.

Within Aavas, our people are our greatest strength. Our culture is built on empathy, resilience, and a deep sense of service. It is this spirit that drives innovation, accountability, and customer-first thinking across every function. We empower our employees to lead with heart and act with integrity – because when people thrive, organisations flourish.

Purpose is not just a principle – it is a mindset. It guides our actions, inspires long-term thinking, and drives us to ask: “Are we creating real impact? Are we truly improving lives?” As we look ahead, our aspiration is clear – to become the most trusted and admired affordable housing finance institution in the country, delivering enduring value to our shareholders while uplifting every life we touch.

We finance homes that spark hope, dignity, and new beginnings. Our purpose is the light that guides us, the promise that defines us, and the legacy we strive to build – every single day.

We’re not just building homes – we’re enabling dreams, supporting livelihoods, and shaping a sustainable and more inclusive India.

COMPANY OVERVIEW

Aavas Financiers

Enabling homeownership for all

Established in 2011, Aavas Financiers Limited is a leading affordable housing finance company with over a decade of experience and expertise. We provide housing loans to India's unserved, underserved, and unreached communities in rural and semi-urban areas, transforming their homeownership aspirations into reality.

We offer affordable and accessible housing finance solutions to economically weaker and low-to-middle-income groups with limited access to traditional financial services, ensuring that every individual can achieve their dream of owning a home. Our aim is to integrate more people into the financial mainstream and create a lasting social impact.

Evolution from Aavas 1.0 to Aavas 3.0

Aavas has evolved significantly since its inception, reflecting a journey of growth, transformation, and purpose. Established in 2011 as AU Housing Finance Private Limited, a subsidiary of AU Financiers India Limited (now AU Small Finance Bank), the initial phase, Aavas 1.0, focussed on testing the proof of concept for the affordable housing model.

In 2017, the Company transitioned into Aavas 2.0, was renamed Aavas Financiers Limited, and subsequently went public in 2018. During this period, the Company evolved into a standalone business under the ownership of Kedaara Capital and Partners Group with a professional management team and experienced board.

In 2023, we entered the next phase of our journey – Aavas 3.0 – with a clear ambition to be India's most trusted affordable housing finance company, anchored in people, process, and technology. In 2025, we welcomed CVC Capital Partners as our new Promoters, further strengthening our ownership base and governance foundation for the long term.

Backed by strategic investments in core platforms, analytics, and digital customer journeys, Aavas 3.0 is designed to deliver sustainable, risk-disciplined growth, elevate customer experience, and deepen our contribution to financial inclusion across Bharat.

Vision

Enriching lives of people by enabling them to achieve their dream of owning a home: 'Sapne aapke, saath hamaara'.

Mission

To empower and upgrade the lives of low and middle-income customers by providing them accessible home loans and setting pioneering benchmarks in unserved and underserved markets.

Values

Create customer delight with focus on ease and speed.

Blend traditional ethics with modern outlook to create an environment of trust and transparency.

Be responsive, professional and ethical in our approach towards customers.

Nurture employees to perform passionately with a sense of ownership.

OUR COMPETITIVE STRENGTHS

- Experienced Board and professional management team
- In-house execution model for operational efficiency
- Superior technology and data analytics capabilities
- Robust capital adequacy and strong credit ratings
- Talented and motivated workforce
- Diversified shareholding base

FY 2024-25 PERFORMANCE SNAPSHOT

₹ 20,420 crore Assets under Management (AUM)	**₹ 4,361 crore** Net worth
₹ 6,123 crore Disbursements	**AA Stable** Long-term credit rating
₹ 2,358 crore Total revenue	**14.12%** ROE
₹ 574 crore Profit after Tax (PAT)	**3.27%** ROA
7.64% Net Interest Margin (NIM)	**₹ 72.54** EPS
4.98% Spread	**2.08 lakh** Live customers
1.08% GNPA	**7,233** Permanent employees
3.39% 1+DPD	**397** Branches

Our Offerings

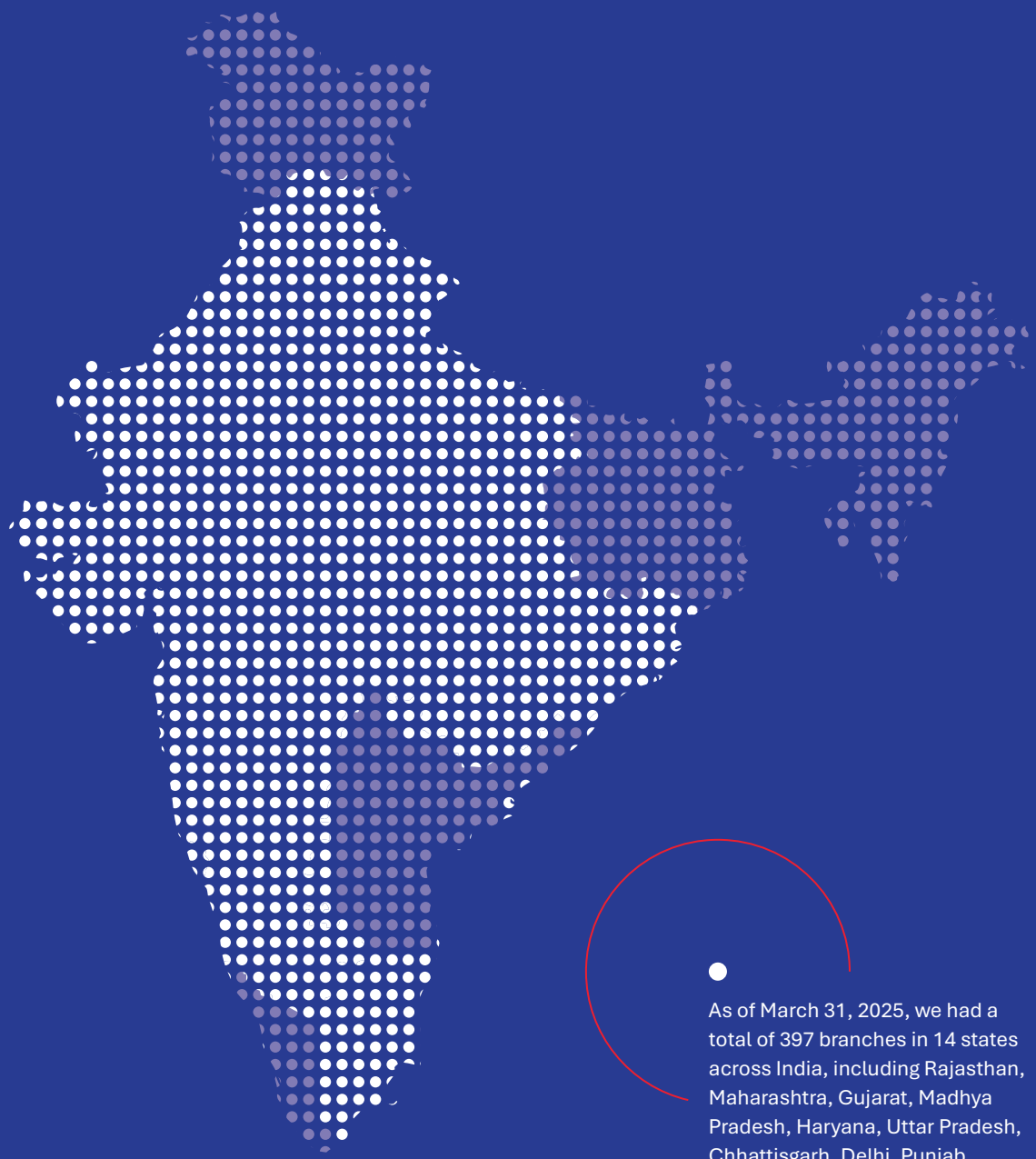
HOUSING LOANS

- Construction of a house
- Purchase a new home
- Home renovation
- Home extension
- Builder Loan / Project Loan

NON-HOUSING LOANS

- MSME loans
- Loans against property
- Business expansion

Our Presence



As of March 31, 2025, we had a total of 397 branches in 14 states across India, including Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh, Delhi, Punjab, Uttarakhand, Himachal Pradesh, Karnataka, Odisha, and Tamil Nadu. During the year, 30 new branches were added.

Awards and accolades

Aavas Financiers Ltd. has been recognised at NHB's First Edition of Housing & Housing Finance Excellence Awards 2025, winning the prestigious category of "Product Innovation." This honor was presented during the 38th Foundation Day celebration of the National Housing Bank, held in New Delhi on 9th July 2025.

This recognition reflects our steadfast commitment to pioneering solutions in affordable housing finance. The award celebrates the Aavas Green Housing Program, designed and implemented with the support and guidance of the International Finance Corporation (IFC) – a member of the World Bank Group. This initiative is the first-of-its-kind by IFC in India, bridging a critical financing gap in beneficiary-led construction of green individual homes.

This accolade reaffirms our belief in the powerful intersection of sustainability and technology. At Aavas, our purpose continues to be making homeownership inclusive, sustainable, and future-ready – building not just homes, but a stronger and greener Bharat.

Aavas Financiers Limited has been honoured at the prestigious India's **Best Annual Report Awards 2024**, held in Mumbai, for its excellence in transparency, clarity, and corporate governance in financial reporting for its Annual Report of 2023-24. This was the third edition of this esteemed event organised by The Free Press Journal in collaboration with CareEdge Ratings.

Aavas Financiers Limited has been felicitated with **The Economic Times Best BFSI Brands 2025 Award** for the third consecutive year

Aavas Financiers Limited recognised as the **Winner at the World Fintech Awards 2025**, under the category: '**Outstanding Digital Transformation in BFSI**' – presented by Elets Technomedia.

Aavas Financiers Limited has been consecutively accredited with the **Best Mid-Cap – Service Sector Award** in the **Sustainability Reporting Awards 2023-24** by the Institute of Chartered Accountants of India (ICAI) for Excellence in Business Responsibility and Sustainability Reporting (BRSR) at IICC, New Delhi.

Customer felicitation

PMAY (URBAN) 2.0 CUSTOMER FELICITATION & GREEN HOME CERTIFICATE DISTRIBUTION EVENT

On 13 July 2025 in Udaipur, Aavas—working with the National Housing Bank (NHB) and the Ministry of Housing & Urban Affairs (MoHUA), Government of India—hosted a ceremony that celebrated two complementary milestones in our journey towards affordable and sustainable housing.

First, we recognised beneficiaries who became proud homeowners under Pradhan Mantri Awas Yojana (PMAY) – Urban 2.0. Next, we presented Green Home Certificates to customers adopting eco-friendly construction practices and sustainable housing designs.

The event was graced by Shri Kuldip Narayan, IAS, Joint Secretary, MoHUA and Board Member, NHB; Smt. Sarika Pradhan, Secretary, Social Welfare Department, Government of Sikkim and Board Member, NHB; Shri Sanjay Shukla, Managing Director, NHB; and Shri Prabhanjan Mohapatra, Board Member, NHB, along with other senior officials.

By honouring PMAY (Urban) homeowners and championing green building choices, Aavas reinforced its commitment to expanding affordable homeownership while laying the groundwork for more

AT A GLANCE

Date & Venue

13 July 2025, Udaipur

Partners

NHB and MoHUA (Government of India)

Focus

Felicitation of PMAY (Urban) 2.0 homeowners; distribution of Green Home Certificates

Impact

Advancing affordable homeownership and promoting sustainable construction at the last mile

CHAIRPERSON'S REVIEW

Empowering dreams, enabling change

At Aavas, purpose is more than a guiding philosophy. It is the very essence of who we are and why we exist. It shapes our vision and drives our actions and decisions at every level of the organisation.

Our journey began in 2011 with a simple yet profound belief: every individual deserves the opportunity to own a home regardless of formal income, background, caste, or religion. What started as a modest initiative to test the viability of the affordable housing model has transformed into a strong ecosystem, reaching unserved, underserved, and unreached communities across the nation.

Over the years, we have evolved from Aavas 1.0 – 1 proof of concept model backed by AU Financiers – to Aavas 2.0, an independent entity listed on the stock exchange, spearheaded by a professional board and marquee global investors. In 2023, we transitioned into Aavas 3.0, a new phase marked by digital transformation, deeper customer engagement, and a renewed vision to become India's most trusted affordable housing finance player, driven by people, process, and technology.

For millions across rural and semi-urban India, homeownership is a significant milestone that brings emotional stability, financial security, and social upliftment. We are the catalysts of aspiration, trust, and progress. Each home built with our support is a foundation on which dreams are realised and communities are empowered.

What sets us apart is our steadfast commitment to delivering enduring value for our stakeholders. Over the years, we've consistently invested in the fundamentals of sustainable growth – a trusted brand, a resilient risk architecture, a robust digital backbone, and a culture rooted in governance and ethics. These pillars have enabled us to scale meaningfully, expand our geographic footprint, and deepen impact in an ever-evolving and dynamic environment.

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DELIVERING LASTING IMPACT FOR STAKEHOLDERS

Employees

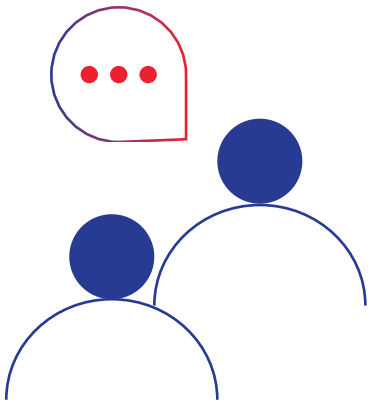
Our employees are the cornerstone of our continued success and exceptional customer service. We recognise that real transformation begins within the organisation, by fostering a culture where individuals feel empowered, supported, and inspired to contribute their best. We've nurtured a governance-led, performance-driven, and values-based culture, built on fairness, transparency, and accountability. Our leadership team diligently balances entrepreneurial spirit with prudent risk management and long-term vision.

We invest in our people not only through training and career development, but also through meaningful work-life integration. We enable our employees to lead more fulfilling lives, translating into high morale, and a sense of belongingness. Many of our team members describe Aavas as 'a humane employer' or 'a company that values people'. Our proactive efforts have resulted in stronger engagement, deeper pride of association, and a shared commitment to building a better future for millions of people.

Customers

We understand and participate in our customers' success stories. We strive to make a difference in their lives, particularly the partially banked and unserved, underserved, and unreached communities, by driving meaningful financial inclusion. We engage with our customers not just to understand loan requirements, but to understand their life goals and aspirations. This approach has allowed us to transcend the traditional lender-borrower relationship and become trusted financial partners. With tailored loan products, risk adjusted interest rates and repayment tenures, and seamless digital processes, we've built high customer trust and satisfaction. For them, an Aavas loan is more than a financial product – it is a key to dignity, stability, and progress. With our growing footprint, we are expanding access to the formal credit system, making homeownership a reality for all.

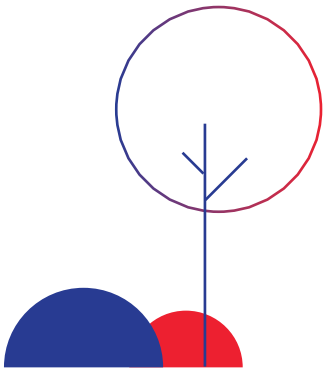
With tailored loan products, risk adjusted interest rates and repayment tenures, and seamless digital processes, we've built high customer trust and satisfaction.



Communities

We firmly believe that strong, resilient communities are crucial for overall business growth. Our community engagement strategy comprises two dimensions: direct interventions in areas like education, women's empowerment, health, and livelihoods, and indirect impact through our core housing finance activities. Through targeted programmes in financial literacy and livelihood development, we've helped uplift thousands of individuals from poverty to stability. Whether it's supporting a woman to launch her micro-enterprise, equipping youth with vocational skills, or facilitating access to healthcare, our initiatives aim to deliver tangible, life-changing outcomes.

As our presence expands, so does our responsibility to deepen our social impact. We are deeply invested in the holistic development of the communities we serve, helping build sustainable ecosystems and contributing to the broader goals of inclusive growth.



Environment

In today's world, the need for decarbonisation and environmental stewardship has never been greater. We view this as both a responsibility and an opportunity to lead through innovation. Through our Green Home Finance programme, we encourage the adoption of environment-friendly building materials by offering preferential financing terms for homes constructed using sustainable materials and technologies. This is a unique initiative, enabling families to live in safer, energy-efficient homes while reducing their carbon footprint. By advancing green home in semi-urban and rural regions, we are shaping the future of sustainable living.

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CONCLUSION

I would like to take this opportunity to thank our stakeholders – customers, employees, lenders, regulators, investors, and communities for their steadfast trust and support. With the country's affordable housing sector poised for robust growth and having built a strong foundation to drive our next phase of growth, we expect to create significant value for all in the coming years.

Sandeep Tandon

Chairperson and Independent Director

MANAGING DIRECTOR AND CEO'S COMMUNIQUE

Aavas: Enabling Dreams, Empowering Bharat

At Aavas, home financing is a means to a greater beginning: empowering families, uplifting communities, and advancing inclusive growth. Our work is grounded in the belief that every individual deserves the dignity and security of a home. Each loan we disburse is a step toward that vision – a promise fulfilled and a future transformed. This deep sense of purpose drives our strategy, inspires our people, and defines who we are.

Dear Stakeholders,

There's a quiet resolve that flows through the heartlands of Bharat.

It rises early, works hard, and dreams quietly, often against the odds.

At Aavas, we are privileged to serve this India.

India that doesn't always ask for shortcuts or subsidies, only for someone to believe.

One such story unfolded in the bustling lanes of Moradabad, Uttar Pradesh. Amidst the symphony of brassware workshops and food carts, lives 60-year-old Ketki Devi, a spirited entrepreneur who has spent over two decades serving her famed Amritsari Naan Chole from a pushcart. Her life was rooted in resilience: Operating from a rented one-room home, she faced daily challenges – unstable income, rising living costs, and the constant fear of eviction. Her dream was simple yet profound: to own a home of her own, a place of dignity and security.

But dreams often meet resistance. Ketki was turned away by traditional lenders – her informal income, lack of paperwork, and age marking her as ineligible. The rejections questioned her right to hope.

Until someone chose to listen.

When she connected with Aavas, our team didn't just see a loan file, they saw an individual with dreams and determination. They visited her food cart, understood her cashflows, and witnessed her dedication first-hand. And within just 7 days, she became a proud homeowner.

Today, she serves her loyal customers with a new sense of pride and permanence. Her new home is a sanctuary of dignity, stability, and self-worth.

IT REMINDED ME, THAT HOME FINANCING IS NEVER REALLY ABOUT THE LOAN

It's about listening, enabling, and walking alongside someone as they chase possibility.

FY 2024-25 was more than a chapter of financial milestones. It was a testament to our purpose, reflected even in the smallest of decisions. We crossed ₹ 20,000 crore in AUM and uplifted the lives of over 360,000 customers through meaningful transformation.

DRIVEN BY A CLEAR PURPOSE

Our purpose-driven approach has been anchored in four foundational pillars: Culture, Customer Centricity, Credit Quality, and Cost Optimisation. We've fostered a workplace where our people feel valued, inspired, and empowered. We've deepened our customer relationships through trust-based, personalised housing finance solutions.

We've protected the integrity of our loan book through prudent credit practices. And we've driven cost efficiencies by combining operational discipline with digital innovation. Together, these pillars ensure that our purpose is lived, measured, and scaled.

We serve and grow with our customers. Every home loan we disburse is a promise fulfilled, a future unlocked, and a life empowered. With a 7,000+ strong team across 2,500+ towns and cities in Bharat, everyone at Aavas is united by a people-first culture. A culture defined by care, integrity, and action.

We are deeply grateful to our customers for their trust in us. Their aspirations inspire us to keep improving, and their evolving expectations drive our innovation. For us, sincerity, transparency, and operational excellence are non-negotiable.

INDIAN ECONOMY ON AN ACCELERATED GROWTH PATH

India's economy continues to evolve. While global growth remains steady at 3.2–3.3%, monetary tightening and commodity price volatility have added complexity.

Despite this, India retains its position as one of the world's fastest-growing major economies, projected to grow at 6.8% in FY2025. This resilience is driven by our youthful demographic, domestic consumption, and growing formalisation of the economy – all of which fuel demand for credit, housing, and digital services.

At Aavas, we see these structural tailwinds as a runway for responsible and inclusive growth. Nearly half of India's GDP emerges from rural areas, yet they account for only 9% of formal credit. Our deep presence in Tier 2–5 towns bridge this vital gap.

Our tech-enabled, people-first model; allows us to underwrite credit where traditional systems fall short – catering to underserved, self-employed, informal-income borrowers.

Emerging technologies like generative AI, account aggregators, and open credit networks are redefining the contours of financial inclusion. Aavas is actively embedding such innovations into our underwriting and customer engagement models – ensuring faster, safer, and more personalised services. These investments position us as a frontrunner in transforming credit delivery for India's next billion.

We are not just growing with Bharat; we are helping shape its financial future through affordable, accessible, and sustainable home financing.

We are deeply grateful to our customers for their trust in us. Their aspirations inspire us to keep improving, and their evolving expectations drive our innovation.

UNLOCKING OPPORTUNITIES IN INDIA'S HOUSING AND MSME SECTORS

Housing has always been more than just shelter. It is a symbol of progress, security, and a family's most significant financial decision. According to a report by CII and Knight Frank, India faces a projected cumulative shortfall of 31.2 million affordable housing units by 2030, presenting a financing opportunity of approximately ₹ 45 trillion in housing finance.

India's housing finance penetration remains low compared to other emerging markets. In FY 2023, the mortgage-to-GDP ratio stood at 12.3%, underscoring significant room for growth.

With rising incomes, improving affordability, nuclearisation of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers, CRISIL MI&A projects this ratio to rise to 16% by FY 2025, signalling a strong runway for housing finance companies.

The National Housing Bank's vision for financial inclusion, along with the Government of India's mission of 'Housing for All' through initiatives like the 'Pradhan Mantri Awas Yojana' and robust budgetary allocations, strongly align with the Vision and Mission of Aavas.

The MSME sector plays a vital role in India's socio-economic development by generating large-scale employment in rural and underserved regions, helping reduce regional disparities, and contributing to a more equitable distribution of national wealth and income. The Government aims to increase the MSME sector's contribution to GDP from 29.2% in FY 2022 to between 40% and 50% by FY 2030.

We see an equally strong potential in India's MSME sector, contributing nearly 30% to GDP and comprising over 90% of enterprises, MSMEs continue to face a significant credit gap. As of FY 2024, CRISIL MI&A estimates the total addressable credit demand in the MSME sector at ₹ 67.5 trillion, of which only ₹ 35 trillion is currently met through formal financing. This leaves a substantial credit gap of ₹ 32.5 trillion.

Despite being a key driver of economic activity, only about 15% of India's 70 million MSMEs have access to formal credit. High risk perception and the cost of physical service delivery have historically constrained traditional lenders, pushing many MSMEs and self-employed individuals toward informal sources. This large, underserved segment represents a significant growth opportunity for financial institutions.

Leveraging our deep underwriting expertise in the self-employed non-professional (SENP) segment, we are now serving MSMEs with working capital loans designed to meet their specific needs.

The National Housing Bank's vision for financial inclusion, along with the Government of India's mission of 'Housing for All' through initiatives like the 'Pradhan Mantri Awas Yojana' and robust budgetary allocations, strongly align with the Vision and Mission of Aavas.

DIGITALISATION AS A GROWTH CATALYST

Technology is reshaping how Bharat accesses financial services, and Aavas is leveraging this digital shift to deepen inclusion, enhance efficiency, and expand reach.

FY 2024–25 marked a key milestone in our digital transformation journey with the successful rollout of a robust, future-ready technology stack.

Our operations are now powered by scalable, integrated platforms including Salesforce for end-to-end customer lifecycle management, Oracle Flexcube Core Banking for loan servicing, and Oracle Fusion Cloud for enterprise ledger. Together, these systems enable agility, transparency, and compliance across functions.

We are also embedding advanced technologies such as Artificial Intelligence and analytics to enable smarter credit decisions, intelligent document processing, and personalised customer engagement.

Innovations like e-signatures, multilingual WhatsApp chatbots, and vernacular interfaces are making our services more accessible and contextually relevant. These digital advancements are strategic levers driving sustainable growth, deeper impact, and meaningful innovation for a digital Bharat.

SUSTAINABILITY AT THE CORE

With rising awareness of climate change and energy efficiency, the demand for green housing is growing. Our Green Home Program promotes eco-friendly, cost-effective construction that lowers utility bills and environmental impact.

We have enabled the completion of over 350 certified green homes and were honoured with the 'Product Innovation' award at NHB's "Housing & Housing Finance Excellence Awards 2025".

Developed in collaboration with IFC, our program is India's first beneficiary-led green housing initiative, empowering low- and middle-income families to build energy-efficient, climate-resilient homes.

We are now scaling this model by integrating renewable energy solutions like solar, while advancing ESG goals through financial literacy, capacity building, and community outreach.

BUILDING THE NEXT CHAPTER

This year marks a defining chapter in Aavas's journey, one of transition, gratitude, and renewed momentum.

We acknowledge with deep appreciation the visionary leadership of our former Promoters Kedaara Capital and Partners Group and former Board Members.

As we turn a new page, I am pleased to welcome CVC Capital Partners as our new Promoters, along with our newly appointed Board Members.

Aavas now stands at a defining inflection point. We enter FY26 as a digitally empowered, purpose-driven, and customer-centric organisation.

Our roadmap ahead is guided by three integrated growth levers: deepening our geographic footprint in high-potential markets, optimising channel and product mix, and accelerating operational momentum by improving productivity.

We are pursuing contiguous expansion into newer geographies in South India while deepening our presence across core states.

FY26 will also mark a significant leap in execution excellence. We are strengthening our channel partner ecosystem through tie-ups with institutions like CSC and India Post Payments Bank, while enhancing onboarding, activation, and performance management through technology, data analytics, and targeted capability-building.

Our digital core is now fully equipped to deliver seamless and personalised customer journeys, enabling higher salesforce effectiveness and faster decision-making.

This momentum is reinforced by key guiding principles: governance, quality, profitability, and sustainable growth. Our long-term aspiration is to scale sustainably and deepen our impact, driving responsible progress through every loan we disburse and every life we touch.

IN GRATITUDE

To our customers, you keep us honest.

To our teams, you keep us grounded.

To our partners, you help us reach farther.

To our stakeholders, you remind us of the responsibility behind every rupee of trust.

And to our regulators, you ensure we grow with integrity, accountability, and in service of the greater good.

The India we serve is rooted in purpose and rising with promise. So is Aavas.

Together, we remain committed to enabling homeownership and reimagining what it means to belong.

Warm regards,

Sachinder Bhinder

Managing Director and Chief Executive Officer

PRESIDENT AND CHIEF FINANCIAL OFFICER'S REVIEW

Stability in strategy. Precision in performance.

I am pleased to share that we crossed ₹ 20,000 crore in Assets Under Management (AUM) during the year.

OVERVIEW

FY 2024-25 marked an exceptional year for Aavas, one that reinforced the strength of our business model and the impact of the strategic investments made in previous years. It reflected the fruition of our collective efforts to lay the foundation for the next phase of growth. We continued to scale responsibly while maintaining strong controls and quality, even as we pursued broader reach, enhanced efficiency, and delivered resilient performance. We made meaningful progress across all parameters: growth, asset quality, liability mix, liquidity, credit rating, and profitability.

I am pleased to share that we crossed ₹ 20,000 crore in Assets Under Management (AUM) during the year. This remarkable achievement is a testament to the robustness of our operating framework, the discipline in our execution, and the steadfast trust reposed by stakeholders. We have invested early, prudently, and strategically to ensure that growth remains calibrated, profitable, and sustainable.

FINANCIAL PERFORMANCE

For the full year, our disbursements stood at ₹ 6,123 crore, up 10% from the previous year. Our AUM grew by 18% to ₹ 20,420 crore, a milestone that demonstrates our deepening relevance across Bharat's housing and MSME financing landscape. Our net profit grew 17% YoY to ₹ 574 crore, driven by strong operating leverage.

ASSET QUALITY

Asset quality is a hallmark of our business model. Our asset quality remained pristine during the year, with 1+ DPD at 3.39%, and Gross and Net Stage 3 assets at 1.08% and 0.73%, respectively. Credit costs improved to 15 basis points (bps) in FY 2024-25 from 16 bps in the previous fiscal, demonstrating our disciplined underwriting and collection capabilities. These metrics stood steady across geographies, customer segments, and ticket sizes, and continue to reflect the structural integrity of our portfolio.

BORROWING COST

Despite an environment of fluctuating rates, we maintained healthy spreads and profitability, supported by our dynamic liability management strategy. Our net interest margin (NIM) stood at 7.64% as of March 31, 2025, reflecting the strength of our earnings efficiency. We continue to focus on underwriting quality business with risk-adjusted return, balancing growth with margin protection. As of March 31, 2025, our spread stood at 4.89%. Also, the net total income (NTI) as on March 31, 2025 stood at ₹ 1,342.6 crore.

Our AUM grew by 18% to ₹ 20,420 crore, a milestone that demonstrates our deepening relevance across Bharat's housing and MSME financing landscape.

CREDIT RATING

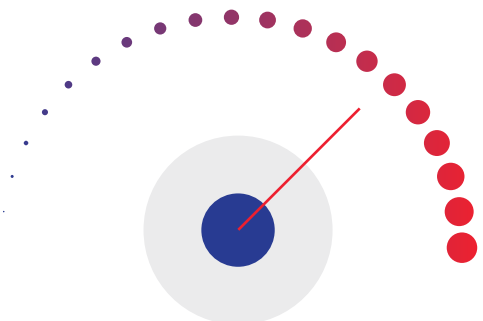
We view our credit rating not just as a score, but as a comprehensive reflection of our financial prudence, operational consistency, and institutional credibility. It encompasses a broad spectrum of tangible and intangible strengths – from asset quality and governance to capital adequacy and risk management. During FY 2024-25, we maintained our 'AA Stable' credit rating, one of the highest in the affordable housing finance segment. This rating, reaffirmed by leading credit rating agencies, underscores our reputation as a fundamentally sound and risk-conscious organisation.

Over the past few years, successive improvements in our credit profile have enabled us to access long-term capital at competitive rates, even in a volatile interest rate environment. As most housing finance companies saw their borrowing costs rise during the rate cycle, we experienced only a modest increase owing to our strong rating and diversified funding mix. This has translated into a significant funding advantage, reinforcing our competitiveness in the market. Our objective is to enhance our creditworthiness, ensuring Aavas remains a trusted partner for investors, lenders, regulators, and the communities we serve.

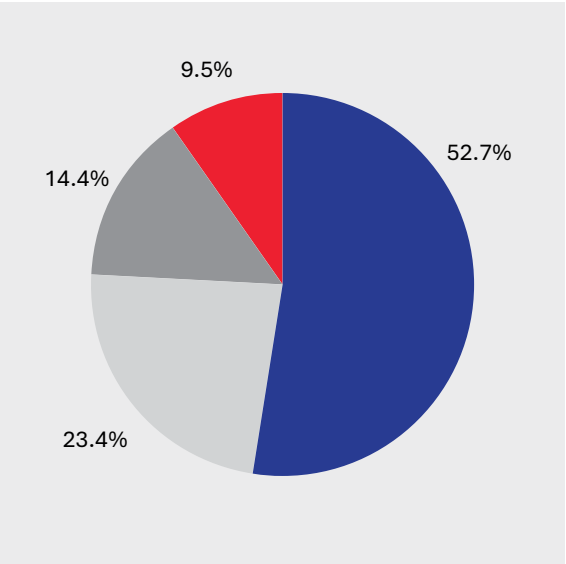
LIQUIDITY

Our prudent liquidity management ensures that we are well-positioned even in challenging circumstances, without having to stretch the Balance Sheet. In FY 2024-25, our net worth increased by 16% to ₹ 4,361 crore, and the Capital Adequacy Ratio (CRAR) stood at 44.5%, significantly exceeding regulatory requirements. We also maintained a robust liquidity position during the year, including ₹ 1,882 crore in cash, cash equivalents and unavailed CC limits, and ₹1,347 crore in undrawn funding lines, providing ample headroom for future growth.

As of March 31, 2025, our total borrowings stood at ₹ 17,847 crore. We raised ₹ 6,183 crore in borrowings at a competitive rate of 8.42% and secured ₹ 630 crore through NCDs from marquee institutional investors, allocated toward green home financing. Around 36% of our borrowings are linked to EBLR, such as repo rate, T-Bill, MIBOR, while 21% are linked to up to 3-month MCLR. We are also exploring co-lending partnerships with PSU banks to support our long-term growth while maintaining capital efficiency.



During FY 2024-25, we maintained our 'AA Stable' credit rating, one of the highest in the affordable housing finance segment.



ASSET-LIABILITY BALANCING

In the non-banking finance business, the strength of an institution lies in its ability to balance the tenure of its assets and liabilities. What sets Aavas apart is that we have built one of the most diversified and resilient liability franchises in the housing finance sector. Our asset-liability profile is strengthened through funding diversification (term loans, assignment, NHB refinancing, and non-convertible debentures), broad-based lender mix, and no commercial paper.

Unlike many NBFCs that face periodic asset-liability mismatches, our borrowing profile is structured with a longer average maturity than our asset portfolio, ensuring that liabilities are repaid earlier than the mobilised tenure of our assets. This positive asset-liability alignment allows us to enhance our financial position even during volatile market cycles.

OPERATING EXPENDITURE

Our opex-to-assets ratio improved by 26 bps to 3.32% in FY 2024-25 from 3.58% in FY 2023-24, surpassing our guided improvement of 25 bps. This was driven by our cost optimisation strategy, higher operating leverage, and digitally-enabled process enhancements. We expect further improvement in the coming years as we continue to leverage technology investments and enhance productivity and operational efficiency.

Ghanshyam Rawat

President and Chief Financial Officer

Unlike many NBFCs that face periodic asset-liability mismatches, our borrowing profile is structured with a longer average maturity than our asset portfolio, ensuring that liabilities are repaid earlier than the mobilised tenure of our assets.

RISK MANAGEMENT

Navigating challenges with effective risk management

President and Chief Risk Officer's Insights

Results cannot justify the means

– Ashutosh Atre

In an ever-evolving environment, we strive to bolster agility and resilience to navigate challenges effectively. Our risk management approach is structured and comprehensive, enabling us to identify, assess, and manage potential business risks.

Key risks and mitigating actions

ECONOMY RISK

Economic slowdown, inflationary pressures, interest rate fluctuations, or adverse macroeconomic conditions could impact our growth and profitability.

Mitigating measures

- Increased exposure in unserved, underserved, and unreached rural and semi-urban areas to offset economic sluggishness
- Continuous monitoring of economic trends to adjust business strategies
- Stable credit rating for adequate shock absorbers

CUSTOMER RISK

Limited affordability or gaps in service delivery may lead to reduced customer engagement.

Mitigating measures

- Strengthened our service capabilities through deeper locational presence, recruitment from customer communities, and a more advisory, relationship-based approach
- Continued investments in technology to reduce turnaround time and enhance overall customer experience

UNDERWRITING RISK

Inadequate underwriting practices may result in weaker earnings, incorrect credit assessments, leading to higher NPAs.

Mitigating measures

- Developed a proprietary insight into informal customer assessment with underwriting professionals comprising Chartered Accountants for ground-level assessments
- Adopted a three-layered risk framework comprising credit, legal, and technical factors
- Implementation of risk-based, underwriting approach with stringent approval processes

EMPLOYEE RISK

Inability to attract or retain talented workforce may impact our operations.

Mitigating measures

- Our workforce comprises a majority of young talent with a focus on building capacities and capabilities
- In addition to improving employee efficiencies, we have also been working on employee retention on back of various employee engagement and motivational measures

REPUTATIONAL RISK

Failure to service customers or lapses in ethical conduct could affect our brand reputation and stakeholder trust

Mitigating measures

- Dedicated customer grievance redressal system to address concerns effectively
- Robust corporate governance framework to ensure ethical practices

LIQUIDITY RISK

Insufficient cash flow to meet financial obligations and operational needs might impact the overall operational flow

Mitigating measures

- As of March 31, 2025, we had ₹1,347 crore in undrawn resources, long-term debt equity ratio of 3.2 times, and a capital adequacy ratio of 44.50%
- The Company repaid ₹ 3,061 crore in long-term loans during FY 2024-25, ensuring financial stability

COLLECTION RISK

Inability to recover dues from customers may impact cash flows and profitability.

Mitigating measures

- Strengthened our technology platforms to onboard the right customers and predict customer delays or defaults
- Robust customer relationship management to ensure timely collections

REGULATORY RISK

Non-compliance with evolving regulatory frameworks may affect business operations.

Mitigating measures

- Technology-driven compliance monitoring for periodic reviews and action
- Proactive and timely responses to regulatory requirements

OPERATIONAL RISK

Loss of internal processes, systems, or external events may impact our operations.

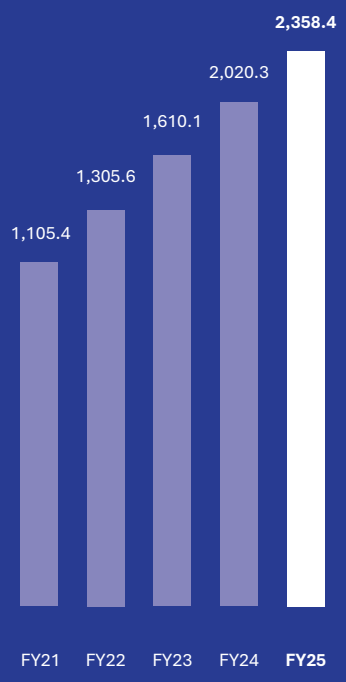
Mitigating measures

- Continuity of operations through internal controls, training, strong IT systems and security, and business planning

PERFORMANCE HIGHLIGHTS

Delivering excellence across all fronts

Total Revenue (₹ crore)



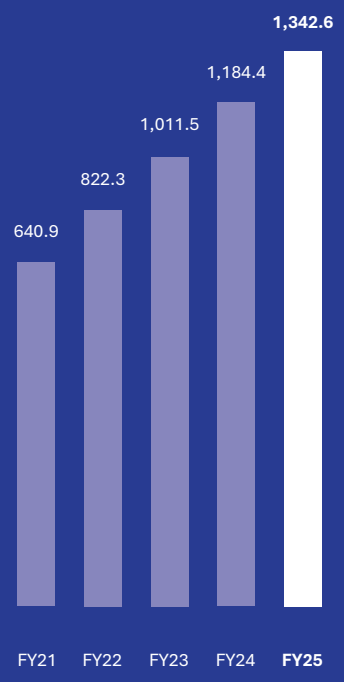
What it means

Revenue earned by housing finance companies primarily through interest on loans, fees, and charges.

Result

The Company's revenue grew by 16.7% to ₹ 2,358.4 crore in FY 2024-25 on the back of a wider customer base and strong customer relationships.

Net Total Income (₹ crore)



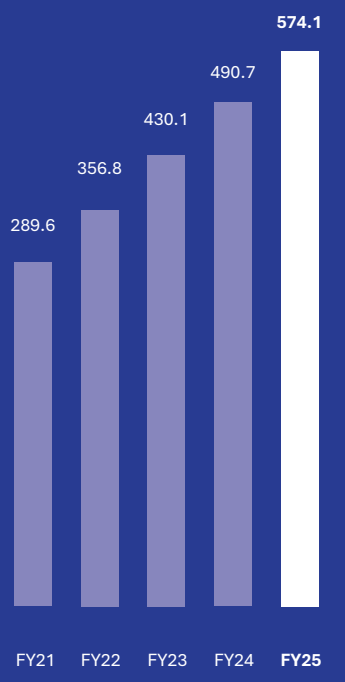
What it means

The Net Total Income reflects the surplus of total revenue over finance cost. It ensures that the Company has sufficient funds available to meet operating expenses leading to improved profitability.

Result

The Company's net total income grew by 13.3% to ₹ 1,342.6 crore in FY 2024-25.

Profit after Tax (₹ crore)



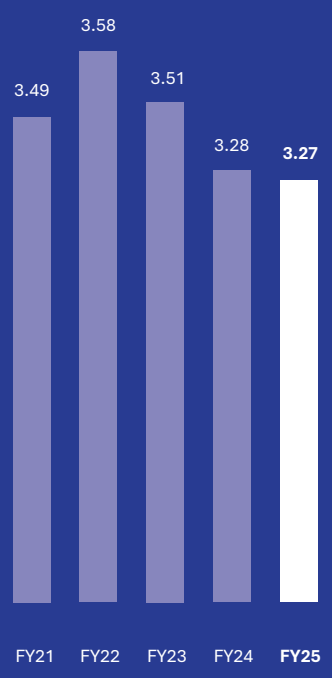
What it means

PAT is a financial metric that indicates how well a company performed in its core operations, net of expenses and taxes. It ensures that adequate profit is available for reinvestment and sustaining the Company's growth.

Result

The Company's net profit grew by 17% to ₹ 574.1 crore in FY 2024-25. The Company has demonstrated a consistent increase in profit after tax.

Return on Assets (RoA) (%)



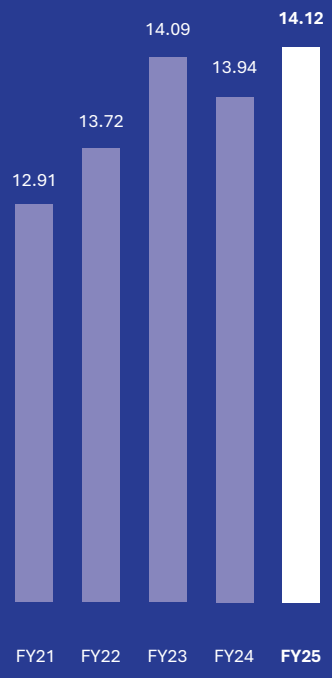
What it means

Return on Assets (RoA) is a profitability ratio that measures how efficiently a company uses its assets to generate profit. A higher RoA is a reflection of rising asset efficiency.

Result

The RoA stood at 3.27% in FY 2024-25. The Company successfully maintained its RoA above 3%.

Return on Equity (ROE) (%)



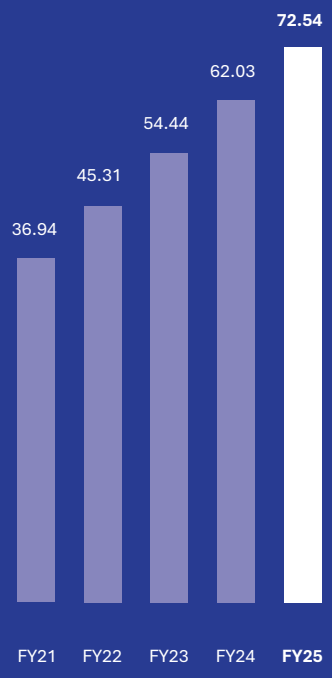
What it means

Return on Equity (RoE) is the measure of a company's net profit divided by its shareholders' equity. RoE measures the Company's profitability and how efficiently it generates these profits. The higher the RoE, the better a company is at converting its equity into profits.

Result

The Company's RoE stood at 14.12% in FY 2024-25.

Earnings Per Share (EPS) (₹ per share)



What it means

Earnings per Share is a financial metric that measures the Company's profitability. The higher a company's EPS, the greater the profit and value perceived by investors.

Result

The Company delivered a 17% growth in EPS in FY 2024-25.

AAVAS AND TECHNOLOGY INNOVATION

Powering growth through robust technology transformation

At Aavas, technology is not just an enabler – it's a strategic driver of growth, operational excellence, and customer delight. Our digital roadmap is meticulously crafted to achieve sustainable growth, create superior technology infrastructure, and deliver seamless experience to stakeholders.

In line with our vision to become a future-ready, customer-centric, and digitally empowered organisation, we have embarked on a large-scale technology transformation in partnership with Deloitte. We are revamping our technology architecture to make it highly scalable, agile, integrated, and secure.

Backed by world-class platforms and collaborations, such as Salesforce, Oracle Flexcube, Oracle Fusion Cloud, MuleSoft, Tableau, CrowdStrike, Netskope, and Amazon, this transformation lays a strong foundation for rapid business expansion while ensuring robust compliance. We are also the first housing finance company to adopt a Core Banking Solution (CBS) – a significant milestone in our digital evolution.

Key Pillars of Digital Transformation

SALESFORCE CRM – LOAN ORIGINATION DIGITISATION

All loan origination processes are now managed through Salesforce, replacing over a dozen legacy systems. This has resulted in improved productivity, process streamlining, and 360° visibility, while reducing the Turnaround Time (TAT) from 13 days to just 6.7 days.

ORACLE FLEXCUBE – NEXT-GEN LOAN MANAGEMENT SYSTEM

Our Loan Management System (LMS) has migrated to Oracle Flexcube, a platform used by leading banks. This supports scalability and enables us to expand our branch network efficiently, while delivering faster, more accurate loan servicing.

ORACLE FUSION – ROBUST ERP & FINANCIAL ANALYTICS

Our Enterprise Resource Planning (ERP) has been upgraded to Oracle Fusion Cloud, enabling real-time insights across product, branch, employee, and segment-level profitability. Almost 100% of vendor payments are now digital, with automated reconciliation through Oracle ARCS.

ANALYTICS & DATA ARCHITECTURE

We've built a powerful analytics infrastructure capable of scaling 100x current data volumes, allowing for real-time insights, faster decision-making, and smarter customer engagement strategies.

CUSTOMER-CENTRIC DIGITISATION

- Omnichannel Experience: Integrated all customer touchpoints – branches, call centre, website, chatbot, IVR, email, and customer app, to provide a seamless and consistent omnichannel experience.
- Customer App Adoption: Over 85,000 customers now actively use our mobile app, which boasts a 4.5-star rating.
- Self-Service Enablement: 73% of customer service requests are resolved through digital channels, a majority of them via self-service options.
- Customer 360° View: A unified dashboard gives service teams instant access to customer profiles, loan data, delinquencies, service and communication history, enhancing responsiveness and personalisation.
- Geo-Tagging & Digital Risk Assessments: Nearly 100% of property locations are geo-tagged, and all technical, legal, and risk assessments are fully digitised.
- Account Aggregator Integration: Adoption of 53% among sanctioned files reflects growing trust in secure digital data sharing.

CYBERSECURITY INITIATIVES

Cybersecurity is a critical pillar of our digital infrastructure. We have upgraded our information security systems with modern and robust security solutions across key domains, including data centre, endpoints, applications, network, etc. To foster a culture of vigilance, we conduct continuous training and awareness programmes for employees and customers on emerging cyber threats and defence strategies.

In addition, we perform periodic assessments of security, process controls, and business continuity readiness in collaboration with internal teams, service providers, and auditors. All critical systems are under 24/7 surveillance, ensuring real-time threat detection and rapid response. Our ongoing efforts have been recognised with an upgrade in our BitSight Cyber Security rating to the 'Advanced Level'. We remain committed to building resilience by adopting latest technology tools, solutions, policies, and procedures, in line with evolving regulations and market trends.

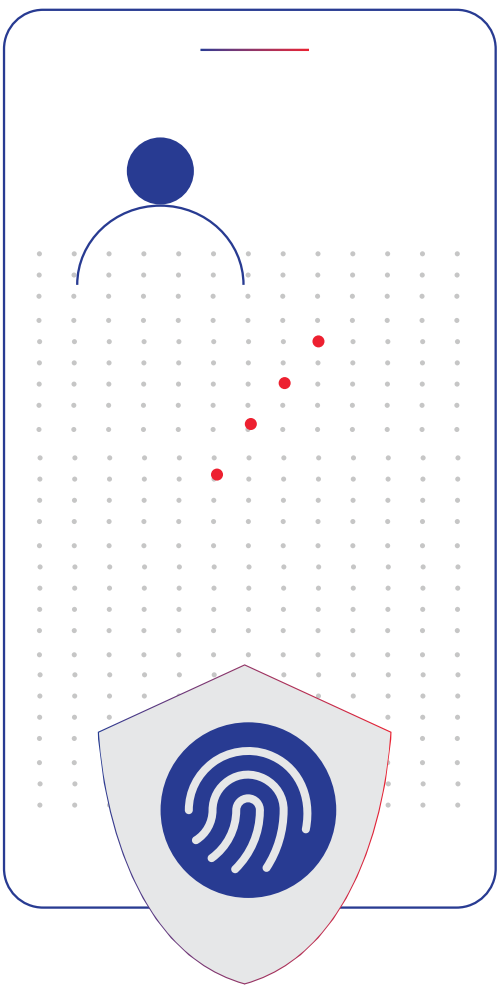
AAVAS AND ITS ROBUST COLLECTIONS EFFICIENCY

Strengthening Trust, Sustaining Performance: Collections at Aavas

A HUMAN-CENTRIC APPROACH TO COLLECTIONS

At Aavas, collections are not just about recovery – they're about building lasting trust. Our philosophy combines rigorous process discipline with customer empathy, ensuring that while we safeguard our financial health, we also support our customers during their moments of need.

FY 2024-25 was a year of continued innovation and stability in our collections function. With deeper data-driven insights, AI-powered tools, and a field-ready workforce, we strengthened our ability to prevent delinquencies, resolve defaults early, and maintain a high level of collections efficiency across our portfolio.



HOW WE DRIVE RESULTS: OUR COLLECTIONS FRAMEWORK

Proactive Engagement

Our teams maintain regular and respectful communication with borrowers, encouraging timely payments and offering flexible solutions when challenges arise.

Predictive Tools

Advanced analytics, including our AI-powered bounce prediction model, allow us to flag risk early and intervene with precision.

Digital-First Experience

With multi-lingual bot calls, self-service portals, and digital payment reminders, we've moved a significant portion of interactions to seamless, user-friendly platforms.

OVERCOMING CHALLENGES WITH AGILITY

1

Regulatory Compliance Challenge

Ensuring ethical, compliant collections while navigating complex borrower scenarios.

Action

All collection officers received regular training on debt recovery protocols and hold certifications from the Indian Institute of Banking & Finance. Our teams follow the SARFAESI Act and RBI's fair practices code rigorously.

2

Field Mobility Disruptions Challenge

Natural and human disruptions impact on-ground collections.

Action

We increased digital engagement, encouraged customer self-service via portals, and adapted schedules based on real-time risk alerts.

3

Macroeconomic Pressures Challenge

Slowdowns can reduce borrowers' repayment capacity.

Action

Our collections team now uses enhanced geo-tagging, financial stress signals, and dynamic risk scoring to intervene early and offer tailored solutions.

CORE STRENGTHS IN COLLECTIONS

Compliance-First Culture

We maintain the highest ethical and regulatory standards.

Tech-Driven Model

From geo-location based routing to AI-led customer segmentation, our approach is deeply integrated with technology.

In-House Teams

100% of our collections are managed by trained Aavas employees, ensuring ownership and alignment with company values.

Multilingual Outreach

We engage with customers in their preferred languages, enhancing communication and repayment ease.

High Talent Retention

Our team stability supports relationship-based collections and long-term borrower trust.

Four-Tier Architecture

Our structured collection model supports early detection, prioritisation, and personalised follow-up.

COLLECTION EFFICIENCY

INITIATIVES THAT MADE AN IMPACT

- Deployed geo-optimisation tools to guide collection efforts efficiently
- Trained collection teams in both behavioural and technical skills
- Implemented regular customer touchpoints, enhancing transparency and accountability
- Notable decline in bounced cheque instances due to predictive analytics
- Continued focus on branch-level staffing efficiency, maintaining 70%+ workforce stability

OUTLOOK

Empowering Collections Through Innovation and Empathy

In the coming year, Aavas will continue to refine its collections engine through:

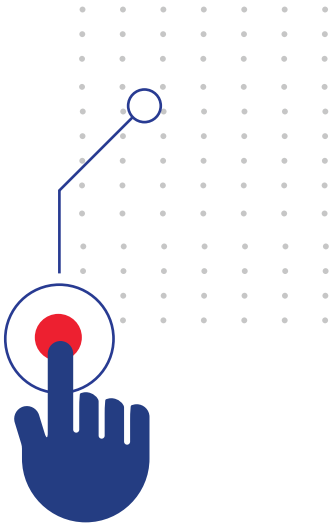
- AI-driven delinquency forecasting
- Stronger digital payment ecosystems
- Intensive training modules for collections personnel
- Deeper borrower insights for personalised recovery strategies

By combining empathy, agility, and execution, we aim not only to improve collection ratios – but to reinforce our bond with the communities we serve.

Technology & Analytics Powered Collections at Aavas

SMARTER COLLECTIONS. STRONGER OUTCOMES.

At Aavas, we've built a tech-enabled collections engine that blends data science, real-time tracking, and smart automation to enhance efficiency, reduce delinquency, and support customer relationships.



Key Capabilities

- **Bounce Prediction**
- **Geo Allocation**
- **Real-Time Field Force Tracking**
- **NPA Prediction Modelling**
- **Digital Collection**

BIG IMPACT IN NUMBERS

100%
Real-Time Tracking

100%
Digital Receipts

100%
Geo-Tagged Properties

Sales and Distribution Footprint at Aavas

STRATEGIC PRESENCE. INCLUSIVE GROWTH. DEEP MARKET PENETRATION.

Aavas continues to strengthen its presence in India's affordable housing and MSME lending space by serving the partially banked segments and financially unserved, underserved, and unreached communities. Our distribution strategy is centred around deepening financial inclusion in Tier 3 to Tier 6 towns and rural pockets, where the demand for affordable credit remains significantly untapped.

TAILORED LENDING, SCALABLE REACH

Our business model remains differentiated through a sharp focus on small-ticket home loans, with an average ticket size of ~₹10 lakh. This approach allows us to address the unique credit needs of customers across the economic spectrum, especially those in the EWS and LIG categories. As of FY 2024-25, 53% of our Assets Under Management (AUM) comprised loans to these segments, reaffirming our core mission of inclusive credit delivery.

PAN-INDIA REACH WITH LOCAL EXPERTISE

We have expanded to 397 branches across 14 States, with nearly 80%+ of branches located in Tier 3 to Tier 6 cities. Our plans remain on track to reach 600+ branches by FY 2029-30, further penetrating existing markets and strategically entering new geographies, particularly in southern India.

GROWTH LEVERS DRIVING MARKET PENETRATION

1

Geographic Expansion

Our first growth lever focusses on expanding our footprint deeper within our core markets, while also entering newer, high-potential regions such as Tamil Nadu, Telangana, and Andhra Pradesh.

2

Strengthening Field Force

On-field employee strength (Sales) for FY 2024-25 has reached 4,439, reflecting our continued investment in a high-touch, high-trust distribution model powered by trained, on-ground professionals.

3

Enhancing Salesforce Productivity

We launched multiple capability-building programs, CRM enhancements, and performance-linked tools to elevate the efficiency and effectiveness of our salesforce.

4

Optimising Sourcing Channels

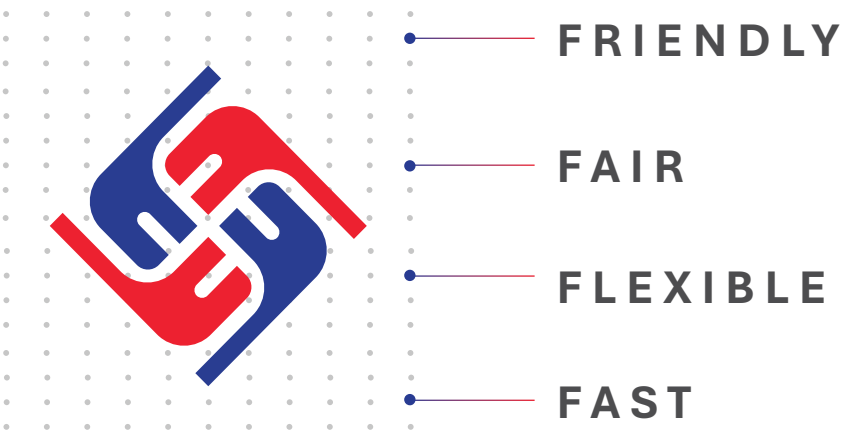
While in-house direct sourcing remains our strength, we’ve achieved a more diversified sourcing mix, integrating digital channels, Aavas Mitras, connectors, and corporate DSAs to improve cost efficiency and market responsiveness.

OUTLOOK

Empowering Growth through Reach and Relationships

Our focus in FY 2025-26 will be on accelerating the momentum built in FY 2024-25. By further leveraging technology, analytics-led underwriting, expanding branch infrastructure, and cultivating high-performing teams, we aim to reinforce our leadership in affordable housing finance.

CULTURE AND VALUES: THE AAVAS WAY



Our distribution strategy is powered not just by scale, but by a culture rooted in trust, agility, empathy, and long-term relationships – both with customers and employees.

Culture
Nurturing a sense of belonging and purpose

Leadership
Encouraging accountability with compassion

Alignment
Driving collective ambition and energy

Teamwork
Building a committed, resilient workforce

VALUE CREATED FOR STAKEHOLDERS

Value Beyond Numbers

We align our actions with our core purpose of creating lasting impact, ensuring that every initiative we undertake adds value, empowers communities, and builds a sustainable future for all.

STAKEHOLDER GROUPS	VALUE CREATED	
Investors	**₹4,361 crore** Net Worth	**₹574 crore** PAT
	₹3,229 crore Total liquidity position	**44.5%** Capital adequacy ratio
	14% ROE	
Customers	**2,46,000+** Number of active loans	**3,60,000+** Cumulative number of customers served
	53% AUM on account of EWS/ LIG customers	**30** New branches opened
	4.5 Customer app rating	

STAKEHOLDER GROUPS

VALUE CREATED

Employees

7,233
Permanent employees

6%
Women workforce

1,81,077
Total training hours

Environment

348
Self-built green homes financed

13,051+
Trees planted

23.94
Medium Risk Score, ESG Ratings as per Morningstar Sustainalytics as on March 31, 2025

Communities

₹11.43 crore
CSR spending

1,450+ KWP
Solar capacity installed

14,12,000+
Youth benefited through education and holistic development

54,00,000+
Lives impacted

13,400+
Individuals benefited through healthcare initiatives

VALUE CREATED FOR INVESTORS

Fortifying financial stability for sustainable value creation

We have consistently prioritised creating long-term value for investors by fortifying our financial integrity. Our approach is grounded in disciplined growth, quality-focussed execution, and a deep commitment to delivering sustainable returns.

STRONG UNDERWRITING CAPABILITIES

At Aavas, we uphold strong and meticulous underwriting practices to maintain financial stability of our operations. Our process involves a careful evaluation of each applicant's credit history, financial strength, and repayment capacity, as well as a detailed assessment of the market trends. This rigorous approach enables us to identify reliable borrowers, mitigate risks, and ensure sustainability and quality of our loan portfolio.

SUPERIOR ASSET QUALITY

We remain committed to maintaining high asset quality across our loan portfolio. We adhere to stringent underwriting standards and robust risk management practices. Our emphasis on asset quality protects our business from potential downturns.

3.39%
1+DPD

1.08%
Gross Stage 3

0.73%
Net Stage 3

OPERATIONAL EXCELLENCE

Operational excellence is a cornerstone of our financial strategy. We are continually focussed on optimising costs, streamlining processes, and leveraging digital technologies to drive efficiencies without compromising on quality or customer experience. This disciplined approach helped improve our opex-to-assets ratio, reflecting enhanced productivity and profitability.

3.32%
Opex-to-assets ratio (OpEx)

ROBUST LIABILITY MANAGEMENT

Our positive asset-liability profile and well-diversified funding mix continue to provide long-term stability. Our funding mix spans term loans, NHB refinancing, capital markets, and assignments, supported by strong relationships with leading PSUs, private sector banks, and multilateral lending institutions. We are also exploring co-lending models to further enhance capital efficiency and our reach.

COMFORTABLE LIQUIDITY POSITION

Our prudent approach to liquidity management ensures resilience and flexibility in dynamic market conditions. In FY 2024–25, our net worth rose by 16% to ₹4,361 crore, and we maintained a strong Capital Adequacy Ratio (CRAR) of 44.5%, well above regulatory norms, providing ample opportunity for future growth.

₹ 3,229 crore
Total Liquidity

VALUE CREATED FOR ENVIRONMENT

Reducing our environmental footprint

Sustainability is crucial for long-term business growth and value creation. Through our green home financing programme, strategic collaborations, and ESG-driven initiatives, we are promoting sustainable homeownership across India and shaping a cleaner and greener future.

SDGs Impacted

OVERVIEW

The Company is striving to minimise its GHG emissions wherever feasible. The Central Support Office of the Company was certified LEED Gold in May 2022. Further, through its CSR initiatives, the Company is taking forward its commitment to an eco-friendly and sustainable future by proactively undertaking various projects on environmental sustainability like Tree plantation drive – 'Each One Plant One' initiative and plantation drive organised by NHB under 'Meri Maati Mera Desh' initiative led by Government of India, investment in clean energy, and Green Home Initiative.

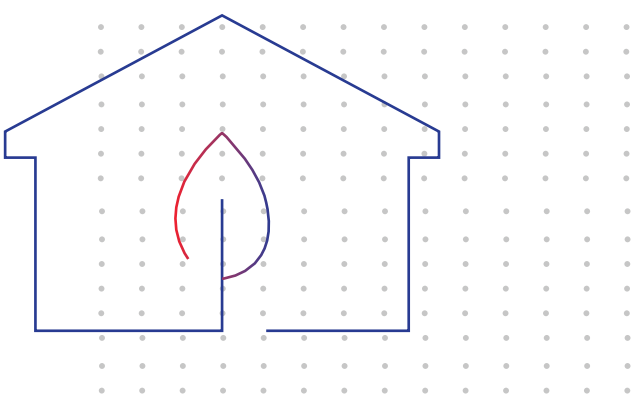
As part of our commitment to sustainable practices and climate action, we achieved notable carbon savings through two key initiatives:

Solar Energy Adoption: Our 620 kWp solar installations contributed significantly to emission reduction, preventing approximately 905.20 metric tonnes of CO_2-equivalent emissions.

Tree Plantation Drive: Through the plantation of 13,051 trees, we further offset 420.94 metric tonnes of CO_2-equivalent emissions.

Together, these initiatives resulted in a total carbon reduction of 1,326.14 metric tonnes of CO_2-equivalent, advancing our efforts toward a greener future.

Aavas has championed sustainable homeownership in India, in line with the nation's climate goals and global sustainability frameworks. Through our Green Home Project, we have pioneered the financing of EDGE and GRIHA-certified green self-built homes, enabling families to construct homes that are energy-efficient and environmentally responsible. This initiative is the first-of-its-kind globally, and seeks to bridge a critical financing gap in the construction of green homes.



IMPACT OF THE GREEN HOME FINANCING PROGRAMME

As part of our Green Home Project, we have successfully financed 348 green homes, resulting in tangible outcomes.

16,830 m^3/yr
Water Saving

542 MWh/yr
Energy Saved

402 tCO_2e/yr
Reduction in CO_2 emissions

₹ 45,00,000+
Cost savings per year

EXPANDING REACH AND ACCESSIBILITY

We have taken significant steps to enhance the mainstream adoption of green homes, particularly for low-income communities. In FY 2024-25, we raised ₹630 crore through Non-Convertible Debentures (NCDs) from the International Finance Corporation (IFC), with 55% of the funds allocated to green home initiatives.

Further, we partnered with GRIHA (Green Rating for Integrated Habitat Assessment) to enhance green home certification standards. As part of its pilot programme, we certified 48 green homes across three Indian cities, setting a strong precedent for future expansion. By integrating GRIHA's standards, we aim to accelerate the penetration of green homes across the country and make a lasting impact on India's Sustainable Development Goals (SDGs).

RAISING AWARENESS OF THE PROGRAMME

We actively conduct various campaigns to spread awareness about green homes. In FY 2024-25, we organised 3 events across India, including Jodhpur, Junagadh, and Raipur, engaging over 300 participants from the supplier community, including architects, engineers, contractors, and material suppliers. These events also featured participation from the IFC team, who shared valuable insights on green home initiatives. Additionally, we leveraged digital platforms, reaching out to larger people through an extensive awareness campaign through social media, WhatsApp, and SMS.

To ensure inclusivity and accessibility, we developed a Green Home Guide in six regional languages. We regularly train our employees on green home concepts, equipping them with knowledge to better guide customers. Through these initiatives, we aim to drive awareness, engagement, and action toward green home.

Key highlights of FY 2024-25

348
Self-built green homes financed

LEED Gold Certification
For Aavas' Jaipur headquarters

'Best Mid-Cap – Service Sector Award' for Excellence in Business Responsibility and Sustainability Reporting (BRSR)

Recognition at the Sustainability Reporting Awards 2023-24

ESG Goals

To further strengthen our commitment to environmental sustainability, we have set ambitious goals that reflect our long-term vision

Carbon Neutrality

Achieve 100% carbon neutrality for Scope 1 and Scope 2 emissions by FY 2049-50, with an interim goal of 70% reduction by FY 2032-33.

Plastic & Paper Waste Reduction

Reduce Scope 3 emissions by reducing plastic and paper waste by 50% by FY 2027-28.

Carbon Offset Initiatives

Plant 70,000 trees to enhance carbon sequestration; instal 3,500 kWp solar plants to reduce dependence on fossil fuels; and promote large-scale green home adoption to create a sustainable environment by FY 2029-30.

ESG Ratings

- CRISIL
  63 - Strong
- ESG Risk Assessment
  70.62 – Excellent
- Morningstar Risk Rating
  23.9 – Medium*
- SES ESG Research
  77.8 - Medium
- S&P Global ESG Score:
  32 (with high data availability)

* Morningstar's rating assess risk, where a lower score indicates a better rating.

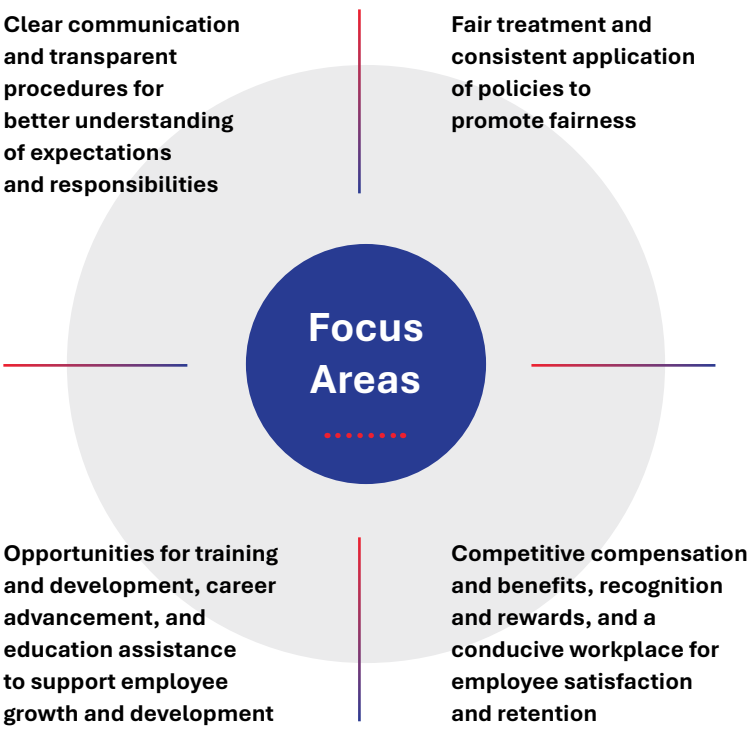
VALUE CREATED FOR EMPLOYEES

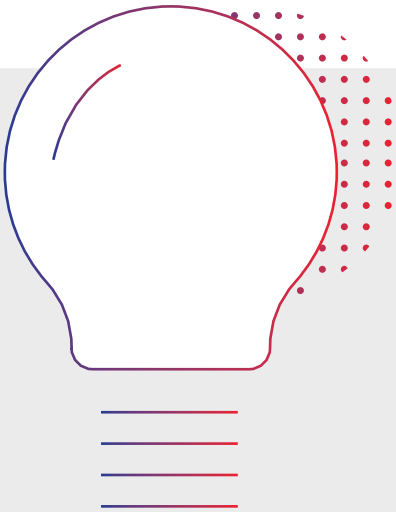
Empowering our people and communities

Our people are our greatest asset. We are committed to creating a conducive environment where every employee is encouraged to grow and deliver their best. Through focussed initiatives, we aim to build a future-ready workforce that drives innovation, excellence, and long-term success.

SDGs Impacted

Our HR policy is designed to nurture a positive and supportive work environment that fosters employee growth and well-being.





Key Initiatives

FRONTLINE AND FUNCTIONAL CAPABILITY ENHANCEMENT

Performance Improvement Plan (PIP) Training

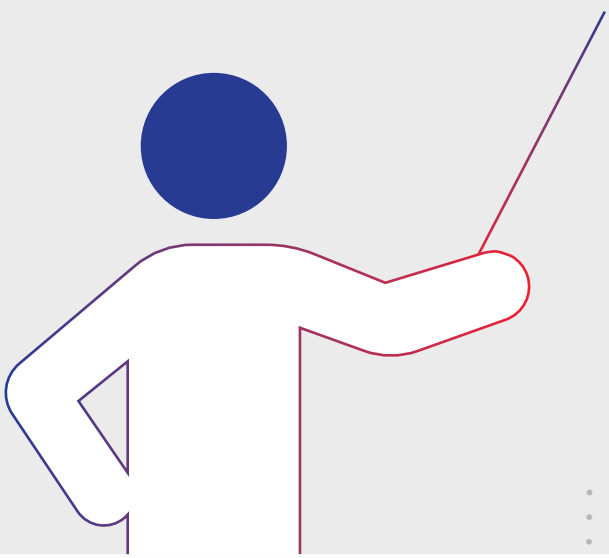
A large-scale capability-building initiative aimed at enhancing productivity among frontline employees. The programme trained 1,345 Relationship Officers (ROs) through structured guidance, personalised coaching, and continuous performance support to help them meet and exceed business expectations.

Branch Head Attrition Control Training

To address attrition at the branch level, 35 Branch Heads underwent training on employee engagement, team dynamics, and retention strategies. This initiative was designed to foster leadership accountability and strengthen stability.

Great Customer Service Workshop

A specialised workshop attended by 40 customer service executives, this initiative aimed to elevate customer interaction quality by enhancing skills in empathy, communication, and service excellence, driving customer satisfaction and loyalty.



Win-Win Negotiation Skills Training

Around 19 executives from the retention team were trained in advanced negotiation tactics to drive mutually beneficial outcomes, manage objections, and increase customer retention.

MANAGERIAL AND MID-LEVEL LEADERSHIP DEVELOPMENT

Professional Development Series – 7 Habits of Highly Effective Managers

60 mid-level managers participated in this leadership development series based on Stephen Covey's renowned framework. The programme focussed on building proactive leadership, personal effectiveness, and strategic thinking.

Sales Managers' Mindset Training

11 Team Leaders and telesales supervisors underwent a mindset transformation programme focussed on accountability, high-performance culture, and growth-oriented leadership to drive sales excellence.

Predictive Index Management Workshop

12 HR recruiters were trained in behavioural analytics and predictive hiring techniques to improve talent acquisition outcomes and align hiring decisions with business needs.

SENIOR LEADERSHIP DEVELOPMENT

Emerging Leaders Programme

Aimed at grooming the next level of senior leadership, this programme targeted 28 State Heads and equivalent roles. It emphasised strategic thinking, cross-functional collaboration, and business acumen, preparing them for broader leadership responsibilities.

Leadership Quotient Programme

An advanced leadership initiative for 14 Zonal Heads and above, focussing on executive presence, transformational leadership, and creating enterprise-wide impact.

First-Time Manager (FTM) Programme

We onboarded 344 new managers through our comprehensive First-Time Manager Programme. The training covered foundational people management, communication, and performance coaching, ensuring a smooth transition into leadership roles and building a strong leadership pipeline from the grassroots.

"PRERNA" - CHAMPIONING GENDER DIVERSITY & WOMEN EMPOWERMENT PROGRAMME

Fostering Inclusion, Leadership, and Equality at Aavas

At Aavas, sustainability is woven into the fabric of our business strategy, with Women Empowerment at the core of our organisational ethos. In pursuit of these ideals, on the Women's Day of 2023 we proudly launched **"Prerna" – The Gender Diversity and Women Empowerment Programme**, under the passionate leadership of Jijy Oommen, Chief Technology Officer. This initiative brings together volunteers from HR team and other diverse functions, all united in their commitment to advancing gender equality within our company.

Through Prerna, we have rolled out a thoughtful suite of impactful initiatives, each designed to nurture leadership, promote inclusivity, and empower women across every level of our organisation. Our efforts span multiple focus areas, ensuring the holistic development and well-being of our women employees.

Advancing Women's Careers

We champion professional growth for women through a dynamic blend of coaching, mentoring, and holistic development initiatives. Our Mentoring Initiative, developed in collaboration with Talent Elements Team, paired selected women employees with seasoned mentors in the company offering personalised guidance, career navigation, and leadership cultivation. Both mentors and mentees were coached throughout the year and ten of our women leaders got certified through this program as expert mentors.

Fostering the Culture of Inclusivity

Prerna stands firmly against discrimination, bias, and stereotypes, working to create a culture where every voice is valued. On this theme, we have been conducting virtual panel discussions and fireside chats namely **"Fostering Gender Diversity Webinar Series"**. In the past, we have featured distinguished speakers – **Arundathi Bhattacharya**, former SBI Chairperson and President & CEO at Salesforce South Asia; and Aavas Board Member **Kalpana Iyer; Sachinder Bhinder**, Aavas - MD & CEO, Kalpana Jain, Senior Partner and DEI Leader at Deloitte; – spark open dialogue and broaden perspectives on diversity, equity, and inclusion.

Promoting Health and Wellness

We believe that well-being is the foundation of success. Aavas organises health and wellness training programs tailored to the unique needs of our women workforce covering health, emotional and financial wellbeing by partnering with industry experts. All women employees in our company are granted with one additional paid leave credit every month namely "**Women Wellness Leave**", prioritising women's health and well-being.

Celebrating Excellence and Achievements

Aavas is unwavering in its commitment to providing a safe work environment. We uphold a strict POSH (Prevention of Sexual Harassment) policy and regularly conduct awareness-building activities. We have central and state level sub committees namely **"Vishakha Committee"** to monitor and manage complaints. To increase awareness, regular trainings are being conducted, and a webinar was jointly conducted by our senior management members - Ashutosh Atre and Jijy Oommen. These sessions equip employees with knowledge and resources for the prevention and redressal of harassment in the workplace.

Looking Ahead

All these initiatives wouldn't have been possible without the strong sponsorship of our Board, MD & CEO - Sachinder Bhinder and Senior Management. As we move forward, Aavas remains committed to evolving and expanding our gender diversity initiatives. Through Prerna and beyond, we strive to cultivate a culture where every woman feels empowered, valued, and equipped to reach her fullest potential. Our journey continues, guided by the belief that true organisational greatness is achieved when diversity, inclusivity and empowerment thrive at its core.

Honouring Women's Contributions

International Women's Day is a significant occasion at Aavas, marked by grand celebrations that honour women whose contributions have shaped our organisation. The event features inspiring stories, awards, and acknowledgements, highlighting the invaluable role of women in our workplace.

ICON Awards 2025

At Aavas Financiers, we believe that true success is built on the dedication, passion, and everyday excellence of our people. The ICON Awards 2025, held on 9th May at The Leela Palace, Jaipur, was our heartfelt tribute to the individuals and teams who consistently go above and beyond to drive our collective growth. From visionary leaders and dependable mentors to high-performing branches and long-serving employees, the evening was a celebration of those who embody the very spirit of Aavas.

The day began with thought-provoking sessions, collaborative group activities, and the official launch of the Branch Excellence Project, setting the tone for a future driven by innovation, operational strength, and shared ambition. As the evening unfolded, the energy only grew stronger with the grand Awards Ceremony – recognising excellence across categories such as Functional ICONs, Employee Mentor Award, 10-Year Long Service, Jury Award – Exemplary Leader, and Top Performing Branches.

Each award was the result of a rigorous, transparent evaluation process grounded in performance metrics, leadership qualities, and alignment with Aavas values. At Aavas, being recognised as an ICON means more than just being a top performer. It reflects an individual's ability to lead with integrity, inspire those around them, and create a lasting impact that goes beyond numbers.

The event concluded on a high note with a gala dinner and DJ night, where celebrations continued in a spirit of joy, connection, and pride. More than just an awards night, ICON 2025 was a powerful reminder of the journey we are on together – and the remarkable people who are shaping the future of Aavas, every single day.

VALUE CREATED FOR CUSTOMERS

Driving exceptional customer experiences

Our customers are at the heart of everything we do. Our commitment to customer-centricity is deeply embedded in our operations and culture. From leveraging digital tools to conducting impactful programmes, we are focussed on delivering value at every touchpoint and building enduring relationships with our customers.

Key Initiatives in FY 2024-25

24X7 CUSTOMER SUPPORT IVR

We launched a round-the-clock Interactive Voice Response (IVR) system on our Customer Service helpline. This enabled customers to access four types of documents, raise and resolve three common queries, and self-serve their requests anytime. This initiative significantly improved response time, ensured seamless interactions, and led to higher customer satisfaction.

PERSONALISED AND TIMELY COMMUNICATION

To make the customer journey more engaging and informative, we automated key communication touchpoints, including welcome emails with vernacular onboarding messages, birthday greetings to strengthen emotional connection, and loan rejection messages to ensure timely communication and enhance customer experience.

CUSTOMER SERVICE TRAINING PROGRAMME

We conducted a “Great Customer Service” workshop to empower our service teams across levels. Participants included the Jaipur-based customer service team, Branch and State Heads of the Rajasthan Hub, and Do-cum-Cashiers, trained virtually via Zoom. The sessions focussed on familiarising teams with key digital tools and services such as the Welcome Letter, Insurance Policy, Interest Certificate, Loan Summary, EMI & Overdue Payments, contact updates, FAQs, and schedule of charges. This ensured consistent and high-quality customer interactions.

SEVA UTSAV – MONTHLY CUSTOMER APPRECIATION DRIVE

We introduced Seva Utsav, a monthly engagement initiative held at Service Branches, aimed at fostering stronger customer relationships. At our Head Office Service Lounge, customers were also gifted potted plants.

Customer Success Story

1

EMPATHY IN ACTION: A Helping Hand When It Mattered Most

When one of our customers faced unexpected financial stress, Sapna from the Customer Service Team stepped up with compassion and speed. Understanding the urgency, she coordinated with the Retention Team to reprice the customer's loan and facilitated a hassle-free swapping process to ease his repayment burden.

The customer, deeply moved by her empathy and proactive approach, expressed his gratitude with a personal thank-you gift. Sapna's actions reflect the essence of Aavas – going beyond transactions to build trust and deliver care.

2

GUIDANCE THAT BUILT TRUST: From Confusion to Clarity

Sanjeevan, a home loan customer since June 2022, was once unsure about continuing with his loan due to financial concerns. That changed when Aradhna Joshi from our customer service team stepped in. Through her patient guidance, he discovered the benefits of part payments and successfully made three.

When he eventually closed his loan with personal funds, the smooth documentation and consistent support left a lasting impression. So much so, he personally visited our branch with a box of sweets to say thanks.

Aradhna's dedication turned a moment of doubt into a story of trust – a true embodiment of putting the customer first.

VALUE CREATED FOR COMMUNITIES

Ensuring holistic development of communities

As a responsible corporate, we are committed to the betterment of society and the nation. Our Corporate Social Responsibility (CSR) initiatives span key areas such as Education and Holistic Development, Healthcare and Well-being, Women Empowerment, and other social welfare programmes, aimed at enhancing the quality of life of marginalised and underprivileged communities.

With a presence across Delhi, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Uttarakhand, our impact has touched over 5.4 million lives across India, reinforcing our dedication to inclusive community development.

SDGs Impacted

Focus Areas

- **Aavas Green (Environmental Sustainability, Climate Action and Energy)**
- **Aavas Gurukul (Education & Holistic Development)**
- **Aavas Aarogya (Health & Well-Being)**
- **Aavas Aajivika (Livelihoods & Women Empowerment)**
- **Aavas Engage (Employee Volunteering)**

CSR Initiatives

AAVAS GREEN (ENVIRONMENTAL SUSTAINABILITY, CLIMATE ACTION AND ENERGY)

Aavas Van: Dense Plantation using Miyawaki Concept

As part of environmental sustainability and ecological restoration efforts, we have collaborated with the Catch Foundation and government agencies to develop dense forests using the Miyawaki method, a technique that transforms underutilised urban spaces into thriving native forests, promoting carbon sequestration and biodiversity.

This year, we planted over 10,846 trees at the CRPF campus in Bijnor, Lucknow (5,216 trees) and the BSF campus in Indore (5,630 trees). This initiative saw active participation of CRPF and BSF officials, along with Aavas' local branch teams, all of whom pledged to plant one tree each year to combat climate change, enhance the environment, and protect Mother Earth.

Aavas Urja: On-grid Solar Installations at Government Hospitals

- Through our CSR arm, Aavas Foundation, we have installed 620 kWp of on-grid solar systems at key government hospitals, namely:
- Kalyan Dharamshala, SMS Hospital, Jaipur - 70 kWp
- Cancer Hospital, Indore, Madhya Pradesh - 100 kWp
- Govt. Dental College and Hospital, Jamnagar, Gujarat - 100 kWp
- Sasson General Hospital Pune, Maharashtra - 150 kWp
- Taluka General Hospital, Gokak, Karnataka - 100 kWp
- Civil Hospital, Sola, Ahmedabad, Gujarat - 100 kWp

The installed solar systems will not only promote green energy and combat climate change but will also reduce the cost of electricity in government hospitals.

Restoration of RIICO Public Park

We undertook the restoration of RIICO Public Park at Southend Square, Mansarovar, Jaipur, Rajasthan to restore green spaces within the industrial zone, creating a safe environment for public use. The restoration work included the construction of new toilets, repair and painting of existing infrastructure, installation of gates and fencing, solar lights, and a drip irrigation system, and new plantation and beautification efforts.

AAVAS GURUKUL (EDUCATION & HOLISTIC DEVELOPMENT)

Aavas Udaan: Creating employment opportunities for underprivileged youth

As part of our flagship programme "Aavas Udaan'', we partnered with the Ambuja Foundation and TeamLease Foundation to implement Banking Correspondence Banking Facilitators (BCBF) and Banking Financial Service and Insurance (BFSI) skilling programmes for 380 underprivileged youth across nine centres in Ajmer, Udaipur, Jaipur, Morbi, Surat, Indore, Delhi, Lucknow, and Dehradun. This initiative aims to bridge the skills gap, equip underprivileged youth with industry-relevant knowledge, and enhance their employability. Over 70% of the candidates secured employment upon completion of their training.

Traffic and Road Safety Awareness

For the past three years, we have been actively promoting road safety in collaboration with the Rajasthan Sadak Suraksha Society, government departments, and local communities. In FY 2024-25, we organised 18 workshops, distributed 8,000 helmets, and installed 35 traffic police assistance booths across Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, and Uttar Pradesh.

School Revamp Programme

As part of this initiative, infrastructure renovation was carried out at Mahatma Gandhi Government School – Manpura Machedi and Adarsh Vidya Mandir – Sanganer, Jaipur. The renovation work included construction of new buildings, restoration of old school structures and toilets, paintings and beautification, BALA (Building as Learning Aid) paintings, and the provision of school desks and other essential facilities. This will benefit over 600 students annually, ensuring they have access to quality education.

Establishment of Mini-Science Centres at Government Schools

We strive to promote Science, Technology, Engineering, and Mathematics (STEM) learning among students. To support this, five Mini-Science Centres were established in government senior secondary schools located in Jaipur (Bichun, Harsuliya, Sanganer, Sodala) and Bhilwara (Gulabpura). This initiative introduced students to basic scientific concepts, making them inclined towards science and technology. This intervention has benefited over 2,500 students in government schools.

AAVAS AAROGYA (HEALTH & WELL-BEING)

Aavas Drishti: Preventive Eye Care Camps

In collaboration with the Blind People's Association of India, we conducted 25 preventive eye check-up camps across 25 villages in the Daskroi and Bareja blocks of Ahmedabad. During the camps, patients were screened for minor eye ailments and cataracts. Those with minor conditions received treatment and spectacles, while 200 individuals diagnosed with cataracts underwent free cataract surgeries.

Aavas Saksham: Distribution of Artificial Limbs

In collaboration with the Blind People's Association of India, we provided artificial limbs to 200 persons with Disabilities (PWDs), helping them regain mobility and lead a more self-reliant life. This initiative has impacted lives across Gujarat (Ahmedabad, Surat, Rajkot, Bhuj, Morbi, Surendranagar), Maharashtra (Nashik), and Madhya Pradesh (Ujjain). Through Aavas Saksham, we strive to bridge gaps in accessibility and inclusion, ensuring that individuals with disabilities receive the necessary support to lead independent lives.

Aavas Aahar: Free Food Distribution

In India, hundreds of destitute patients and their caregivers spend days and nights outside government hospitals, seeking medical care. Many are migrants seeking treatment, unable to afford frequent travel, while others await surgeries, follow-up checkups, or crucial medical appointments. The continuous struggle of caregivers often leaves them exhausted, vulnerable, and helpless, making it difficult to afford a one-time meal.

To address this issue, we launched the "Aavas Aahar" programme, aimed at providing free, nutritious cooked meals daily to over 1,000 patients and caregivers outside Sawai Man Singh Hospital and Jaipuria Government Hospital in Jaipur, Rajasthan.

Providing Ambulances to Government Hospitals

We provided three Eeco ambulances to government hospitals, ensuring improved infrastructure, accessibility, and emergency medical assistance to patients in need. Two ambulances were handed over to Sawai Man Singh Hospital, Jaipur, and one ambulance was provided to District Hospital, Ujjain.

GRAM SIDDHI (LIVELIHOODS & WOMEN EMPOWERMENT)

Gram Siddhi: Women-led Village Development

Gram Siddhi is our flagship CSR programme, aimed at providing skill-based training and employment to rural women. This programme seeks to enhance women's employability and entrepreneurship development.
In FY 2024-25, we collaborated with the PraveenLata Sansthan Foundation to train 25 women in Beauty and Wellness, supporting them in establishing beauty parlours at Sanwer and Depalpur, Indore. This initiative enabled them to earn an average income of ₹ 6,000 per month.

AAVAS ENGAGE (EMPLOYEE VOLUNTEERING)

Employee engagement is deeply embedded in our core values. We believe that employee volunteering not only contributes to social good but also instils a sense of pride and purpose among our employees, strengthening their connection with the organisation.

In FY 2024-25, our employees across various states participated in initiatives such as cleanliness drives, plantation drives, food distribution, road safety awareness, and other CSR projects.

OTHER INITIATIVES

Development of Childcare Centres in Urban Slums

We collaborated with Mobile Creches for Working Mothers' Children NGO and established three childcare centres in the urban slums of Kalkaji (Delhi) and Vatva (Ahmedabad). These centres will provide early education, nutrition, immunisation, and access to mainstream education to 150 underprivileged children aged 6 months to 6 years, empowering them with better opportunities for the future.

Project Vishwakarma

This project focussed on enhancing safety and social well-being among construction workers. During the year, 188 workplace safety awareness sessions were conducted along with the distribution of 2,000 safety kits. This initiative also facilitated immediate access to government schemes, banks, and other financial service providers, ensuring on-the-spot support for workers. Since its inception, the project has impacted over 13,000 construction workers.

Case Studies

1 Nana Lal Bheel's Journey to a Brighter Future

Nana Lal Bheel, a young man from Dhani-Veer Dholiya, a small tribal village near Udaipur, grew up in a community where opportunities were scarce. Having never stepped out of his remote village, Nana had limited exposure to the outside world. His family's financial struggles added to the hardship. His father, an office assistant in a private company, earned ₹8,000-9,000 per month, barely enough to support their family of six members. Due to these struggles, Nana's sister got married at an early age. Their situation worsened when his father lost his job, leaving them without a steady source of income for months. During this period, Nana realised that he had to step up and support his family. However, with no formal education or skills, he struggled to find a stable job.

Nana's turning point came when a mobilisation team from the Skill and Entrepreneurship Development Institute (SEDI), supported by Aavas Financiers and Ambuja Foundation, visited his village. Excited by the opportunity, he enrolled in the Business Correspondent & Business Facilitator (BCBF) course. During his training at SEDI, Nana displayed dedication and enthusiasm, participating in all activities and learning key skills. His hard work paid off when he secured employment at Fusion Microfinance. Today, Nana is employed in the finance sector, earning ₹12,000 per month plus incentives, and is proud to financially support his family. Nana's journey proves that with determination and the right opportunity, anyone can change their future. His success story is an inspiration for the youth of his village.

> *Nana and his family express their heartfelt gratitude to Aavas Financiers and Ambuja Foundation for providing him with this life-changing opportunity.*

2 Garima Sen: Empowered with Skills, Destined for Success

Garima Sen grew up in a small village near Ajmer. Her father, a helper in a retail shop, earned barely ₹9,000-10,000 per month, supporting a family of four. Her mother, a homemaker, managed the household while her younger brother continued his studies. With only one source of income, it was difficult for her father to meet the basic needs of the family, leaving Garima worried about their future. She wanted to support her family, but without proper skills or career guidance, she felt lost and uncertain. One day, a mobiliser introduced her to the Skill and Entrepreneurship Development Institute (SEDI), supported by Aavas Financiers and Ambuja Foundation, where she learned about the Business Correspondent and Business Facilitator (BCBF) course. Without hesitation, she enrolled in the programme, determined to change her life.

From the very beginning, Garima stood out. She was bright, hardworking, and eager to learn, actively participating in every session. Her dedication paid off, and soon, she secured employment at Vision Plus, a BPO company, as a Customer Sales Executive, earning a salary of ₹12,000 per month. Today, Garima excels in her role, assisting customers efficiently and earning praise from her manager. She is now helping her father with household expenses and supporting her younger brother's education. Her journey has inspired many others in her community. Her dream was to become self-dependent, and today, she is walking confidently on that path, proving that determination and the right support can transform lives.

> *Garima's family expresses heartfelt gratitude to Aavas Financiers and Ambuja Foundation for providing career exposure to youth lacking guidance and support. Her father now takes pride in her achievements and stands by her at every step.*

GOVERNANCE

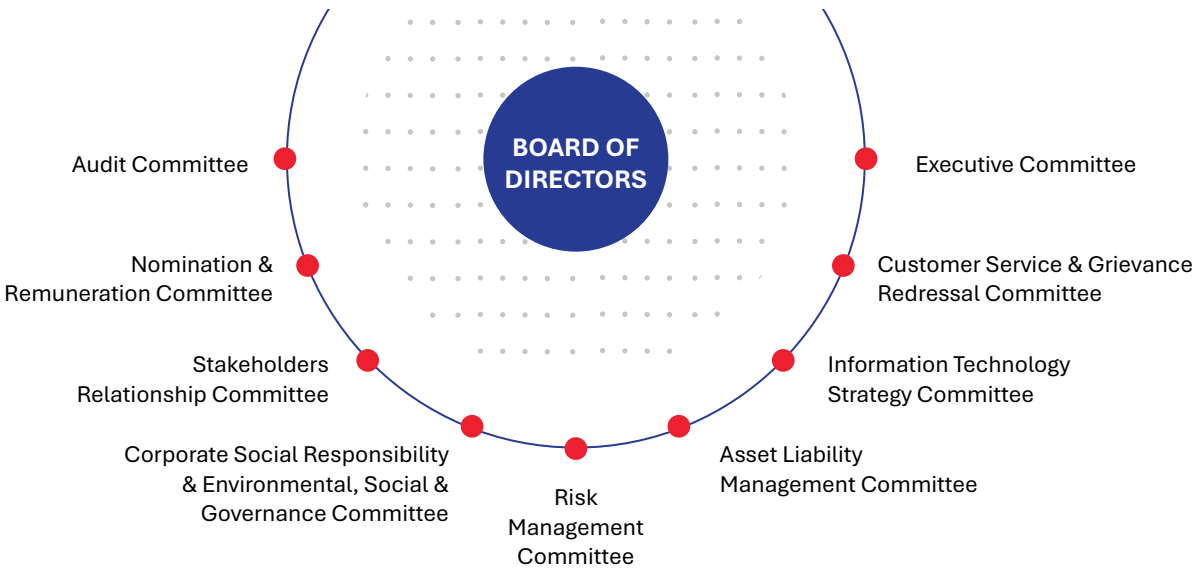
Upholding highest governance standards

Strong corporate governance remains at the core of our philosophy, driving us to uphold the highest standards of integrity, transparency, and accountability. Our governance framework is built to fulfil stakeholder expectations, manage risks, and ensure sustainable value creation.

SDGs Impacted

GOVERNANCE STRUCTURE

Our governance structure outlines the framework for decision-making, responsibility allocation, and stakeholder engagement, ensuring that every function is guided by integrity, fairness, and transparency. The framework defines the roles, responsibilities, and rights of the Board, its committees, management, auditors, shareholders, and other stakeholders, enabling effective communication, streamlined operations, and informed decisions, contributing to the efficient functioning of the organisation. By adhering to best-in-class governance standards, Aavas fosters a culture of responsibility and integrity, while continually working to meet and exceed the expectations of stakeholders.



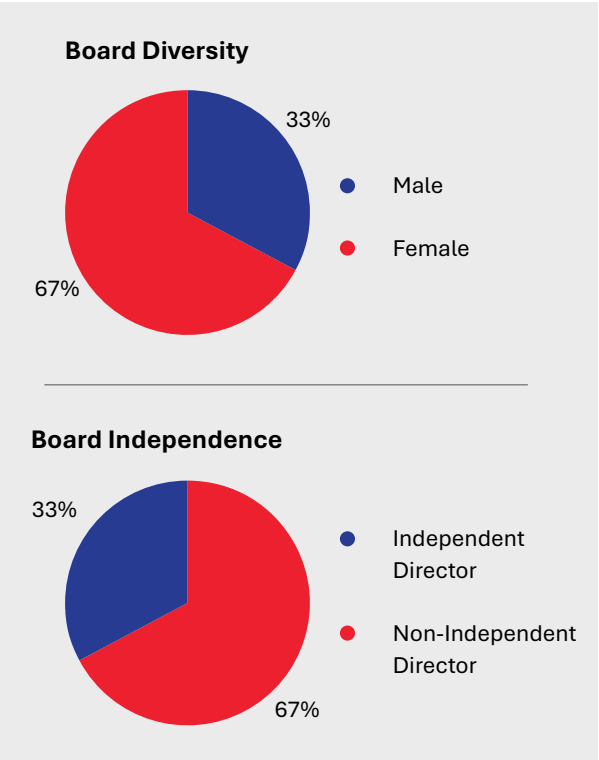
OUR BOARD

The Board of Directors serves as the guiding force behind our governance framework, ensuring that the organisation operates lawfully and ethically. The Board provides strategic direction, monitors corporate performance, oversees regulatory compliance, shapes key policies, and ensures that all major decisions are made in the best interests of the Company and its stakeholders.

Our Board is composed of highly experienced professionals, encompassing deep market knowledge and expertise. It reflects a balanced mix of Independent and Non-Independent Directors, Executive and Non-Executive Directors, and ensures representation of women at the highest levels of leadership.

The Board comprises nine Directors: three Independent Directors (including the Chairperson and two women Directors), one Executive Director (the Managing Director and Chief Executive Officer), and five Non-Executive Nominee Directors.

BOARD DEMOGRAPHICS



POLICIES

We are deeply committed to the highest standards of ethical, legal, and moral business conduct. To this effect, we have adopted a robust suite of internal policies and codes, in compliance with SEBI (LODR) Regulations, RBI Master Directions, and other applicable guidelines. These policies ensure effective internal controls, regulatory compliance, and responsible corporate behaviour, and include:

- Internal Guidelines on Corporate Governance
- KYC and Anti-Money Laundering (AML) Policy
- Policy on Materiality and Related Party Transactions
- Code of Conduct for the Board and Senior Management
- Policy for Determining Material Subsidiaries
- IT and Cybersecurity Policies
- Whistleblower Policy / Vigil Mechanism
- POSH Policy, among others

Note: To know more about Corporate Governance, please refer to the Report on Corporate Governance on Pages 102-168 of this Annual Report.

LEADERSHIP PROFILES

Leadership that instils trust

Profile of Board of Directors

Sandeep Tandon

Chairperson and Independent Director
(DIN 00054553)

Sandeep Tandon is the Chairperson of the Board and an Independent Director of Aavas. He attended the University of Southern California (USC), received his Bachelor Degree in engineering. He has completed the YPO PPM program at Harvard Business School. He is a serial Entrepreneur and has been actively involved in the technology industry for more than 30 years in a career spanning across California and Mumbai. His major contributions include the growth of technology exports from India. He is the Founder and Executive Chairman of Syrma SGS Technology, which provides global OEMs with electronic manufacturing services (EMS) and also serves as a Director in other companies. He is also the Founder and Director at Infinx Inc., a US based provider of Technology products and services to health care providers. He is an active member of the Young Presidents' Organisation (Bombay Chapter) and serving as USC Viterbi India Board Member. Tandon resides in Mumbai with his family, frequently coaching tomorrow's leaders.

Sachinderpalsingh Jitendrasingh Bhinder

Managing Director and Chief Executive Officer
(DIN 08697657)

Sachinderpalsingh Jitendrasingh Bhinder is Managing Director & CEO of Aavas Financiers. He is a B.E. Chemical, MBA (Marketing & Finance) by qualifications. He has an extensive work experience of more than 27 years with industry leaders in banking, financial services and insurance in leadership roles managing P&L, sales and distribution, business development, product, policy, process, risk, audit and compliance. Previously, he worked for 16 years with Kotak Mahindra Bank Limited, serving as Executive Vice President, where he built and scaled the mortgage Book up to ~₹ 40,000 crore AUM across 130 Locations pan-India. He also set up and managed the mortgage and retail asset cross-sell business for Kotak Mahindra Bank which included working capital (Micro and MSME), unsecured business loans, personal loans, rural housing, LAS and credit cards. He is the Chairperson of Assets and Liability Committee.

Kalpana Kaushik Mazumdar

Independent Director
(DIN 01874130)

Kalpana Kaushik Mazumdar is the Chairperson of Audit Committee and an Independent Director of Aavas. She is co-founder and MD at Svakarma Finance Private Limited. She holds a Bachelor's Degree in Commerce from the Madurai Kamaraj University. She is a qualified Chartered Accountant. She is a senior banking professional with more than 31 years of experience across the Indian financial services sector with a specific focus on building consumer businesses. She was previously associated with Citibank N.A., India as its Senior Vice-President, where she was responsible for women's banking and microfinance. She previously held the position of a Director at IncValue Advisors Private Limited. She is also the Chairperson of Audit Committee.

Soumya Rajan

Independent Director
(DIN 03579199)

Soumya Rajan is the Chairperson of Nomination and Remuneration Committee and an Independent Director of Aavas. She is the Founder of Waterfield Advisors, India's largest independent Multi-Family Office and Wealth Advisory company, advising and managing assets of US$ 5 billion and working with clients in the areas of global investments, succession planning and strategic philanthropy. Waterfield pioneered Registered Investment Advisory Services in India. A Mathematics major from St Stephen's College, Delhi and Balliol College, Oxford University, she is recognised as one of India's top women in business and is listed in Fortune India's 100 Most Powerful Women 2025 and featured in Forbes India's Women Trailblazers in 2021. She is a nominee on regulatory expert committees set up by the Securities Exchange Board of India (SEBI) for Registered Investment Advisors in India and the International Financial Services Centres Authority (IFSCA) at GIFT City, India for Funds Management. She cares deeply about contributing back to the social sector and serves on the Boards of several non-profit organisations in the education and mental health space.

Siddharth Tapaswin Patel

Additional Non-Executive Nominee Director#
(DIN: 07803802)

Siddharth Tapaswin Patel joined CVC in 2010 and currently serves as a Managing Partner based in Singapore, overseeing activities in India as well as Technology, Media and Telecom in Asia. Siddharth was based in the London office for seven years in the global TMT team and, as of 2017, is based in Singapore where his responsibilities include the CVC India office. Prior to joining CVC, he was with Apax Partners where he spent nine years in the technology and telecommunications team leading or co-leading transactions across the sector. He holds first class MA and BA degrees from the University of Oxford.

Nikhil Omprakash Gahrotra

Additional Non-Executive Nominee Director#
(DIN: 01277756)

Nikhil Omprakash Gahrotra is currently a Senior Managing Director with CVC, with 20 years of private equity experience. Prior to CVC, Nikhil was a Partner with the Financial Institutions Group at Apollo Global, one of the largest alternate investment firms. Nikhil also spent time at firms including BanyanTree Growth Capital, an India-focused structured private equity fund, 3i Group Plc in India in the Growth Capital team, and Q Investments, a US based hedge fund, where he was a founding member of their India office and Citigroup's investment banking team.

Elcid Vergara

Additional Non-Executive Nominee Director#
(DIN: 10769790)

Elcid Vergara joined CVC in 2013 and currently serves as a Senior Managing Director. Elcid is a member of the CVC Southeast Asia team and is based in Bangkok. Prior to joining CVC, he was a vice president at Phatra, a leading investment bank in Thailand where he advised on M&A transactions for more than eight years. Elcid holds a bachelor's degree in Economics from Harvard University, US and a master's degree in Economics from the London School of Economics, UK.

Neha Sureka

Additional Non-Executive Nominee Director#
(DIN: 10759936)

Neha Sureka serves as Principal & Member of Operations Team at CVC Capital Partners, based in Mumbai. Prior to joining CVC, she spent nearly a decade building digital and technology first businesses, and scaling them up at Aditya Birla Finance and Bharti Airtel in India. Neha started out in her professional career, as a management consultant with McKinsey and Company where she primarily served consumer-facing clients and tech services businesses for over six years. She holds her Masters in Management as well as undergrad degree as a Computer Science Engineer from the University of Mumbai.

Anant Jain

Additional Non-Executive Nominee Director#
(DIN: 06648006)

Anant Jain joined CVC in October 2020 and currently serves as a Managing Director. Anant is a member of the CVC India team and is based in Mumbai. Prior to joining CVC, Anant was a Principal in the deal team of Warburg Pincus India where he worked for 10 years. From 2006 to 2008, he worked for Leonard Green & Partners as a Private Equity Associate. He holds a BBA degree from University of Michigan and an MBA from Harvard Business School.

#Appointed with effect from June 30, 2025

Profile of Our Key Managerial Personnel

Ghanshyam Rawat

President and Chief Financial Officer

Ghanshyam Rawat is the President and Chief Financial Officer of Aavas. He is associated with the Company since 2013. He presently heads the finance and treasury, accounts, budget and analytics departments of the Company. He holds a Bachelor's degree in Commerce from the Rajasthan University and is a fellow member of the Institute of Chartered Accountants of India. He has been previously associated with First Blue Home Finance Limited, Accenture India Private Limited and Deutsche Postbank Home Finance Limited. Further, he has also worked with Pan Asia Industries Limited and Indo Rama Synthetics (I) Limited.

Ashutosh Atre

President and Chief Risk Officer

Ashutosh Atre is the President and Chief Risk Officer of Aavas. He holds a Diploma in Finance from NMIMS and Diploma in Mechanical Engineering from M.P. Board of Technical Education with an experience of more than 32 years. Previously, he has worked with Equitas Housing Finance Private Limited, Equitas Micro Finance India Private Limited, ICICI Bank Limited, ICICI Personal Financial Services Company Limited, Cholamandalam Investment & Finance Company Limited, Apple Industries Limited and Sanghi Brothers (Indore) Limited.

Saurabh Sharma

Company Secretary and Compliance Officer*

Saurabh Sharma holds a bachelor's degree in commerce and bachelor's in law. He is an Associate Member of the Institute of Company Secretaries of India, having an overall experience of approx. 7 years in the field of Legal, Secretarial, Compliance & Governance and has previously worked with H.G. Infra Engineering Limited (listed entity) and Generation Four Engitech Limited. He has been associated with our Company, since September 2021.

*Appointed with effect from January 31, 2025

Our Leadership Team

Selvin Uthaman

Chief Business Officer

Selvin Uthaman holds B. Com degree from Mumbai University, Chief Executive Officer Certification from IIM Lucknow, General Management Programme from IIM Ahmedabad and intermediate G1 certification from the Institute of Company Secretaries of India. He possesses more than 22 years of experience in Affordable Home Loans, SME Loans, Retail Operations, Business development and Financial product management. He was associated with Axis Bank, IIFL, Kotak Mahindra Bank Ltd., and Dewan Housing Finance.

Ripudaman Bandral

Chief Credit Officer

Ripudaman Bandral has done Masters in Finance and Control from Punjab University, Patiala. He possesses more than 28 years of experience in the fields of business development, strategic planning, credit and risk assessment, client relationship management and team building. He was associated with ICICI Bank Ltd., HDFC Ltd., India Bulls Home Loans, Transamerica Apple Distribution Finance and Trident Group.

Anshul Bhargava

Chief People Officer

Anshul Bhargava holds a certification in Business Management from IIM Calcutta. He has diverse experience of more than 35 years in multiple leadership positions in the Indian army and financial sector. Bhargava has hands-on experience in managing change, transforming businesses and accelerating business growth. His impactful contributions to the people agenda have earned him numerous prestigious accolades and recognitions. Prior to joining Aavas, he served as Director (Human Resource at Power System Operation Cooperation Limited and as Chief People Officer at PNB Housing Finance Limited.

Jijy Oommen

Chief Technology Officer

Jijy Oommen is a Computer Science graduate with M. Tech in Computer Science from BITS, Pilani, MBA from SMU, PMP from Project Management Institute – USA and trained in Strategic Management from IIM Bangalore and Advanced Project Management from IIM, Kozhikode. She has an experience of 26 years with Kinara Capital, Wonderla Holidays Limited, Manappuram Finance Limited and Bajaj Capital Limited.

Rajaram Balasubramaniam

Chief Strategy Officer and Head of Analytics

Rajaram Balasubramaniam is a Chartered Accountant and holds 37th all India rank and also holds Bachelor of Commerce degree. He has more than 23 years of experience in the field of consumer banking covering risk management, product and P&L management, sales and finance. Prior to joining Aavas, he was associated with Citibank, worked in UAE, Egypt and US, and with Standard Chartered Bank in India.

Sharad Pathak

Chief Compliance Officer

Sharad Pathak is the Chief Compliance Officer of Aavas. He has been associated with the Company since its incorporation, having experience of more than 13 years in corporate sector. He holds a degree of Bachelor's in Commerce & LLB from the Rajasthan University and is a qualified Company Secretary. He was previously associated with Star Agri Warehousing & Collateral Management Limited as its Company Secretary.

Ramachandran Venkatesh

Head of Internal Audit

Ramachandran Venkatesh has more than 27 years of work experience in the banking and financial services sector of which 16 years have been in governance, risk and control roles, spanning across Standard Chartered Bank, American Express, HDFC Bank, Fullerton, and Aditya Birla Finance Ltd, his last role being Head Internal Audit at Aditya Birla Finance Ltd for six and a half years before joining Aavas. He holds a Master's Degree from Jawaharlal Nehru University, Delhi.

Corporate Information

CIN: L65922RJ2011PLC034297

LISTED AT:

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

BOARD OF DIRECTORS

Sandeep Tandon
DIN: 00054553
Independent Director and Chairperson

Kalpana Kaushik Mazumdar
DIN: 01874130
Independent Director

Soumya Rajan
DIN: 03579199
Independent Director

Sachinderpalsingh Jitendrasingh Bhinder
DIN: 08697657
Managing Director and Chief Executive Officer

Siddharth Tapaswin Patel
DIN: 07803802
Additional Non-Executive Nominee Director

Elcid Vergara
DIN: 10769790
Additional Non-Executive Nominee Director

Nikhil Omprakash Gahrotra
DIN: 01277756
Additional Non-Executive Nominee Director

Neha Sureka
DIN: 10759936
Additional Non-Executive Nominee Director

Anant Jain
DIN: 06648006
Additional Non-Executive Nominee Director

BOARD COMMITTEES

Audit Committee
Kalpana Kaushik Mazumdar (C)
Sandeep Tandon (M)
Soumya Rajan (M)
Nikhil Omprakash Gahrotra* (M)

Nomination And Remuneration Committee (NRC)
Soumya Rajan (C)
Sandeep Tandon (M)
Siddharth Tapaswin Patel* (M)

Stakeholders Relationship Committee (SRC)
Sandeep Tandon (C)
Nikhil Omprakash Gahrotra* (M)
Neha Sureka* (M)
Sachinderpalsingh Jitendrasingh Bhinder (M)

CSR And ESG Committee
Nikhil Omprakash Gahrotra* (C)
Kalpana Kaushik Mazumdar (M)
Neha Sureka* (M)
Sachinderpalsingh Jitendrasingh Bhinder (M)

Risk Management Committee (RMC)
Nikhil Omprakash Gahrotra* (C)
Neha Sureka* (M)
Soumya Rajan (M)

Asset Liability Management Committee (ALCO)
Sachinderpalsingh Jitendrasingh Bhinder (C)
Neha Sureka* (M)
Nikhil Omprakash Gahrotra* (M)
Ghanshyam Rawat (M)
Ashutosh Atre (M)
Ripudaman Bandral (M)

*Appointed with effect from June 30, 2025

(C) Chairperson (M) Member

IT Strategy Committee
Sandeep Tandon (C)
Sachinderpalsingh Jitendrasingh Bhinder (M)
Neha Sureka* (M)

Customer Service & Grievance Redressal (CS&GR) Committee
Sachinderpalsingh Jitendrasingh Bhinder (C)
Ghanshyam Rawat (M)
Ashutosh Atre (M)

Executive Committee
Nikhil Omprakash Gahrotra* (C)
Neha Sureka* (M)
Sachinderpalsingh Jitendrasingh Bhinder (M)
Ripudaman Bandral* (M)
Ghanshyam Rawat (M)

KEY MANAGERIAL PERSONNEL

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and Chief Executive Officer

Ghanshyam Rawat
President and Chief Financial Officer

Ashutosh Atre
President and Chief Risk Officer

Saurabh Sharma
Company Secretary and Compliance Officer

INVESTOR RELATIONS

Rakesh Shinde
E-mail ID: investorrelations@aavas.in

JOINT STATUTORY AUDITORS

M/s M S K A Associates, Chartered Accountants
602, 6th Floor, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Ramnagar,
Goregaon (E), Mumbai – 400063
Maharashtra, India
Telephone: +91 22 6974 0200
E-mail ID: tusharkurani@mska.in
Firm Registration No.: 105047W

M/s Borkar & Muzumdar, Chartered Accountants
21/168, Anand Nagar, Om CHS,
Anand Nagar Lane, Off Nehru Road,
Vakola, Santacruz East,
Mumbai- 400055, Maharashtra, India
Telephone: +91 22 6689 9999
E-mail ID: contact@bnmca.com
Firm Registration No.: 101569W

SECRETARIAL AUDITORS

M/s. Chandrasekaran Associates, Company Secretaries
11-F, Pocket-IV, Mayur Vihar Phase-I,
Delhi-110091, India
Telephone: 011-22710514
E-mail ID: rupesh@cacsindia.com
Firm Registration No.: P1988DE002500

HEAD OF INTERNAL AUDIT

Ramachandran Venkatesh

REGISTERED & CORPORATE OFFICE

201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area,
Jaipur-302020
Rajasthan, India
Telephone: +91 141 661 8800
Website: www.aavas.in

REGISTRAR & TRANSFER AGENT

(Equity Shares & Bonds/Debentures)
MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West), Mumbai 400 083
Maharashtra, India
Telephone: 022 - 4918 6000
Website: www.in.mpms.mufg.com

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor,
Sir Phirozshah Mehta Road,
Fort, Bazargate
Mumbai – 400001, Maharashtra
Telephone: (+91) (11) 45138885
Email ID: delhiitsl@idbitrustee.com
Website: www.idbitrustee.com

Beacon Trusteeship Limited
5W, 5th Floor, Metropolitan Building,
E Block, Bandra Kurla Complex (BKC),
Bandra (East), Mumbai 400 051
Telephone: 022-460460278
E-mail ID: contact@beacontrustee.co.in
Website: https://beacontrustee.co.in/

*Appointed with effect from June 30, 2025

(C) Chairperson (M) Member

Financial Institutions and Banks

PRINCIPAL BANKERS

Axis Bank
Bandhan Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
CSB Bank
DBS Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
IDFC First Bank
Indian Bank
Indian Overseas Bank
IndusInd Bank
Karnataka Bank
Kotak Mahindra Bank
Punjab National Bank
SBM Bank (India)
Shinan Bank
South Indian Bank
State Bank of India
UCO Bank
Union Bank of India
Yes Bank

FINANCIAL INSTITUTIONS / DEBT CAPITAL

Asian Development Bank
British International Investment
International Finance Corporation
ICICI Prudential Mutual Fund
Kotak Mahindra Bank
SBI Life Insurance
Small Industries Development Bank of India (SIDBI)
National Housing Bank

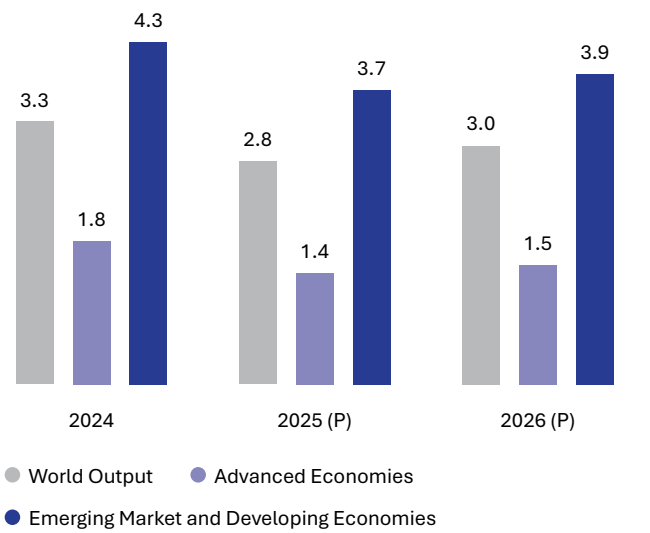
Management Discussion & Analysis

GLOBAL ECONOMY

The world economy saw a marginal improvement in GDP growth to 3.3% in 2024, according to the International Monetary Fund's (IMF) World Economic Outlook. The growth narrative varied meaningfully across geographies: while advanced economies continued to experience a slower pace of expansion, reflecting tight monetary conditions and mature market cycles. Emerging and developing markets, particularly in Asia, delivered stronger growth, underpinned by rising domestic demand and structural reforms.

The economic policy landscape and the structure of international economic engagement is being reshaped by the recent tariff measures introduced by the United States and with counteractions from key global trading partners. These policy shifts, while presenting short-term complexities, are also opening space for strategies, regional cooperation, and realignment of global value chains.

Real GDP Growth (%)



P: Projected

Geopolitical instability — including the ongoing conflicts between Russia and Ukraine, tensions in the Middle East involving Israel and neighbouring countries, and tariff war among major economies such as the U.S. and China — continues to pose risks to global economic stability. Additionally, evolving climate policies and regulatory shifts are influencing investment decisions across industries.

In 2024, the U.S. economy expanded by 2.8%, supported by a strong labour market and easing inflation. The Eurozone recorded 0.9% growth, with Germany experiencing a minor contraction. Emerging markets achieved 3.3% growth, driven by advancements in technology and infrastructure investment. Meanwhile, China's economy is projected to grow by 3.2% in 2025, bolstered by government policy measures and a stabilising property sector.

Global inflation continued its downward trend, cooling to 4.9% at the end of 2024. Inflation in advanced economies is projected to decline to an average 2.6% – approaching target levels by late 2025 – while emerging markets experienced a more gradual decline. Major central banks are anticipated to reduce interest rates until mid-2025, with a cautious approach toward subsequent easing.

Outlook

In the United States, growth is anticipated to peak at 1.8% in 2025 before easing to 1.7% in 2026, shaped by amplified policy uncertainties, ongoing tariff war between U.S and China, and a softer demand outlook amid slower-than-expected consumption growth. The Eurozone is projected to grow by 0.8% in 2025 and 1.2% in 2026, with tariffs weighing on economic activity. Overall, advanced economies are expected to stabilise around 1.2% growth during this period.

Global inflation is forecasted to decline further, reaching 4.3% in 2025 and 3.6% in 2026, as the global disinflationary trend persists. Advanced economies are anticipated to achieve their inflation targets in 2026, with stability expected thereafter.

Global economic growth is expected to moderate, with projections indicating a 2.8% expansion in 2025 before recovering to 3.0% in 2026. This outlook is heavily influenced by the direct impact of new trade measures and their indirect consequences, such as trade spillovers, increased uncertainty, and weakening business sentiment.

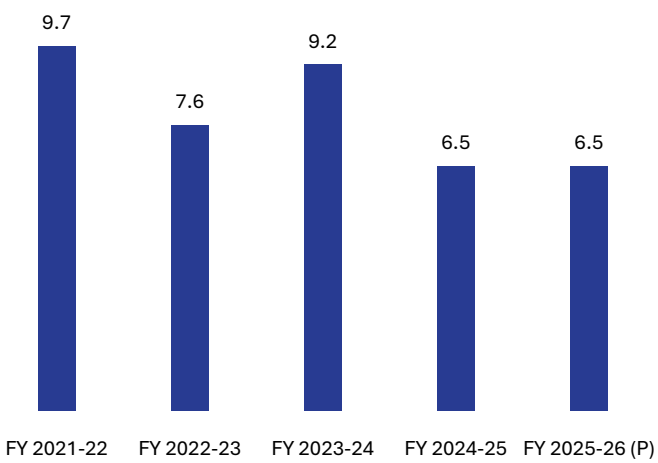
(Source: WEO)

INDIAN ECONOMY

India is set to maintain its position as the fastest-growing major economy in FY 2025-26, as projected by leading multilateral agencies. While economic activity experienced a temporary slowdown in the first half of FY 2024-25, high-frequency indicators suggest a sustained recovery in the second half, driven by improving industrial activity and a resurgence in both rural and urban demand. Enterprise surveys reflect growing optimism across key sectors.

The Union Budget 2025-26 strikes a prudent balance between fiscal consolidation and growth, ensuring continued economic stability. Private sector investment intentions remain firm, while listed companies report accelerated sales growth and improved operating profit margins. Headline retail inflation moderated to 3.3%, marking its lowest level since August 2019. Additionally, the Reserve Bank of India's (RBI) recent measures — including interest rate cuts, an accommodative policy stance, and liquidity-enhancing actions — provide further support for sustained growth. Strong macroeconomic fundamentals, rising foreign direct investment (FDI), resilient debt inflows, and comfortable foreign exchange reserves contribute to India's external stability.

Real GDP Growth Rate (%)



P: Projected

FY 2024-25 marked a promising milestone, with corporate earnings rising in tandem with GDP growth, with the corporate profit-to-GDP ratio (NSE500) at a 17-year peak of 4.7%. This alignment reflects a vibrant and strengthening domestic economy, setting the stage for continued business momentum and long-term growth opportunities.

India now ranks as the world's 4th largest economy by nominal GDP and 3rd largest by Purchasing Power Parity (PPP). The government has set ambitious targets, aiming for a US$ 5 trillion economy by FY 2027-28 and US$ 30 trillion by 2047, with infrastructure development, policy reforms, and technological advancements serving as key drivers.

Consumer Price Index (CPI) headline inflation declined by a cumulative 1.6% during FY 2024-25, reaching 3.3% in March 2025. A strong seasonal correction in vegetable prices contributed to food inflation dropping to 2.9% in February, the lowest since November 2021. The fuel sector continued to experience deflation, while core inflation edged up to 4.1% in March 2025.

Outlook

India's positive outlook is supported by its demographic dividend, sustained rural demand, and an anticipated revival in urban consumption. A recovery in fixed capital formation, backed by increased government capital expenditure, higher capacity utilisation, and strong corporate and banking sector balance sheets, is expected to further bolster economic momentum. While merchandise exports may face headwinds due to evolving global uncertainties, services exports are likely to maintain their resilience.

The outlook for food inflation has turned decisively positive. There has been a substantial and broad-based seasonal correction in vegetable prices. Sharp decline in inflation expectations for three months and one year ahead period would help anchor inflation expectations going ahead. Furthermore, the fall in crude oil prices augurs well for the inflation outlook. Taking all these factors into consideration, and assuming a normal monsoon, CPI inflation for the FY 2025-26 is projected at 4.0%.

India is projected to grow at 6.5% in FY 2025-26, according to the Reserve Bank of India (RBI), reinforcing its position as one of the world's fastest-growing major economies. The country remains on track to become the world's third-largest economy by 2030, driven by substantial infrastructure investments, rising private capital expenditure, and the expansion of financial services. Ongoing structural reforms continue to strengthen long-term growth prospects.

(Source: MoSPI, RBI)

INDUSTRY OVERVIEW

Union Budget 2025-26

The Union Budget 2025-26 presents a balanced and growth-oriented financial framework aimed at addressing immediate and long-term economic priorities. By enhancing disposable income, prioritising infrastructure development, and promoting domestic manufacturing, the budget lays a solid foundation for sustained economic growth while ensuring fiscal prudence.

A standout feature is the increase in the income limit to avail rebate under the new tax regime to ₹ 12 lakh annually, significantly boosting disposable income for middle-class households. This reform is expected to enhance consumption and savings, directly benefiting salaried individuals and driving economic growth. The focus on infrastructure, identified as a key driver of development, includes substantial investments in roads, railways, and urban facilities, which will improve connectivity and create jobs, stimulating demand in allied sectors.

Additionally, the budget supports the Production Linked Incentive (PLI) scheme, targeting sectors such as electronics and textiles, and aligns with the "Make in India" initiative to position India as a global manufacturing hub. The transformation of India Post into a catalyst for the rural economy will enhance logistics and financial inclusion, further integrating rural areas into the broader economic framework.

With a reduced fiscal deficit target of 4.4% of GDP for FY 2025-26 down from 4.8%, the government is reinforcing its commitment to fiscal prudence while staying firmly on the path of growth-oriented reform. This balanced approach is complemented by continued support for clean mobility and renewable energy, including extended incentives under the FAME India Phase II scheme and fresh investments in EV charging infrastructure, reflecting a clear push toward a greener, more sustainable economy.

India's housing finance sector has seen a substantial growth in FY 2024-25, driven by positive economic conditions, supportive government policies, and rising urbanisation.

Housing Finance Sector Review

The total outstanding Individual Housing Loan (IHL) portfolio of Primary Lending Institutions recorded a strong growth of 13.2% in FY 2024-25, with Housing Finance Companies (HFCs) growth trailing marginally at 12.7%. Leveraging the specialised product offerings and extensive reach HFCs possess, they have consistently sustained an 18-19% share within the housing loan segment – a trend expected to remain steady in the medium term.

Regulatory developments have played a crucial role in shaping the sector. The RBI has been proactive and significantly strengthened housing finance by enhancing risk management, transparency, and compliance under its regulatory framework. Additionally, the expansion of priority sector lending (PSL) eligibility, open market operations and NHB's refinancing schemes have supported liquidity access for housing finance companies. The government's flagship Pradhan Mantri Awas Yojana (PMAY) and interest subsidies have also increased demand.

The growth of the housing finance market is driven by structural factors, including improved affordability, accelerating urbanisation, the rise of nuclear families, increasing preference for premium housing, and impactful government initiatives such as "Housing for All". Fortified by these favourable dynamics, the sector is forecasted to grow at a robust CAGR of 15-16% between FY 2024-25 and FY 2029-30, boosting its long-term potential.

(Source: Care Edge; NHB)

Affordable Housing Finance Sector Review

According to guidelines and regulations from NHB and RBI, housing loans with a ticket size of less than ₹ 2.5 million come under the category of Affordable Housing Loans. The overall size of the affordable housing finance market in terms of loan outstanding was ₹ 12.9 trillion in FY 2024-25, comprising 33% of overall housing credit. Affordable HFCs accounted for 20% of the market (Outstanding loans of ₹ 1.4 trillion as of FY 2024-25).

Between FY 2018-19 and FY 2024-25, the growth in the affordable housing loans had remained subdued, with the segment having witnessed a CAGR of 8.32% as compared to overall housing loans, which has grown by 11.6% during the same time. To address the slowdown in the credit growth, in a recent amendment to the PSL guidelines, the RBI enhanced the limit of Housing loan considered under Priority sector providing a boost to the credit for the segment.

ICRA expects the industry to pick up steam gradually and the affordable housing segment to touch ₹ 20 trillion by FY 2027-28 translating into an 20%+ CAGR between 2025-26 and FY 2027-28.

(Source: ICRA, RBI)

Government Initiatives

Government support for affordable housing is clear through initiatives like the Pradhan Mantri Awas Yojana (PMAY). The Ministry of Housing and Urban Affairs received a budget of ₹ 96,777 crore in the Union Budget 2025-26, clocking 18% rise over the previous year's ₹ 82,576 crore. This funding supports various urban development programmes, including PMAY-Urban. As of March 2025, PMAY-Urban has sanctioned 1.18 crore houses and over 92 lakh houses have already been constructed and delivered to beneficiaries. These allocations and results show the government's continued focus on affordable housing and urban development.

Growth Drivers

Key drivers of the housing finance sector include favourable demographics, regulatory reforms, and a shift towards formal credit channels. Mortgage penetration in Indian is estimated at 16% in 2024-25, compared to ~15.3% in FY 2019-20. Despite this growth, India's mortgage market remains underpenetrated relative to other emerging economies, highlighting substantial opportunities for housing finance companies to expand their reach and services. As demand for homeownership continues to rise, the sector is well-positioned for further development.

Along with this, several factors are expected to drive growth in the housing finance sector:

- **Increased Urbanisation and Housing Demand:** Rapid urbanisation and rising aspirations of the middle class have fuelled demand for housing loans. India's urban population is expected to reach 600 million by 2031, driving the need for affordable and mid-segment housing. The housing finance sector capitalised on this trend, with affordable housing loans accounting for around 35% of the total housing loan disbursements in FY 2024-25.

  (Source: Knight Frank India Report, 2024)

- **Government Support for Affordable Housing:** The Government's focus on affordable housing continued to be a key driver. Under the Pradhan Mantri Awas Yojana (PMAY), over 12 million houses had been sanctioned by December 2024, with many beneficiaries relying on housing finance companies for funding. Additionally, Interest Subsidy Scheme (ISS) provided interest subsidies of up to ₹ 1.80 lakh per eligible borrower, making housing loans more accessible.

  (Source: Ministry of Housing and Urban Affairs)

- **Rise in Disposable Income:** The per capita net national income in India has increased from ₹ 1,00,163 in FY 2023-24 to ₹ 1,08,786 in FY 2024-25 (at 2011-12 prices), thereby positively impacting the buying power of the masses.

  (Source: MoSPI)

- **Technological Advancements and Digital Lending Platforms:** The adoption of technology in the housing finance sector, including digital lending platforms and AI-based credit assessment tools, has streamlined the loan disbursement process. In FY 2024-25, nearly 40% of home loans were initiated through online platforms, reducing turnaround times significantly.

  (Source: CRISIL Housing Finance Report, 2024)

- **Increased Infrastructure Development:** Infrastructure growth, including urban development and metro rail expansion, has boosted housing demand in Tier II and Tier III cities. For instance, metro expansions in cities like Lucknow, Ahmedabad, and Pune have led to a 20%-25% increase in housing demand in peripheral areas, directly benefiting the housing finance sector.

  (Source: JLL India Infrastructure Report, 2024)

- **Rising Investments in Real Estate:** Real estate investments increased steadily in FY 2024-25, crossing US$ 7 billion, with a significant portion directed at residential projects. This significant investment activity provided a strong pipeline of new homes, further catalysing the demand for housing loans.

  (Source: JLL India Real Estate Investment Report, 2024)

COMPANY OVERVIEW

Aavas Financiers Ltd. (Aavas), a leading Indian housing finance company, focusses on providing affordable housing loans to low- and middle-income groups in semi-urban and rural areas. Aavas specialises in serving underserved rural and semi-urban markets across 14 states. As of March 31, 2025, the Company operates through a widespread network of 397 branches and manages assets worth ₹ 20,420 crore.

Aavas promotes financial inclusion as a key player in the affordable housing segment, offering diverse housing finance products, including loans for construction, purchase, and renovation. Leveraging technology and a customer-centric approach, Aavas ensures efficient service and a seamless borrowing experience.

Its strong presence in underserved markets, combined with a focus on asset quality, has enabled consistent financial performance. Aavas is well-positioned to capitalise on India's growing affordable housing demand, driven by government initiatives and increasing urbanisation.

SCOT ANALYSIS

Strengths

- **Specialised Market Knowledge –** The company's expertise in catering to underserved semi-urban and rural geographies provides a strategic advantage in penetrating untapped markets.
- **Underwriting Intelligence Institutionalised –** Aavas has built expertise in the underwriting non-documented, cash-flow based income assessment to better understand the eligibility of customers.
- **Robust Capital Adequacy –** A strong Capital Risk (Weighted) Assets Ratio (CRAR) ensures financial stability and supports sustainable growth.
- **Direct Sourcing and Vertical Organisation Structure –** Focussing on direct sourcing of customer, allows for a better hook on the customer understanding the intent of the applicant. Further, the vertical organisation structure makes assessment of the application quick and independent mitigating risk of any collusive activities.
- **Technological Transformation –** The company completed a technology transformation achieving compliance and transparency of a Bank with the adoption of Oracle Flexcube a Core banking solution along with upgrading the Loan origination, Management and CRM platform to Salesforce. This allows the firm better abilities to function at a much larger scale.
- **Prudent Asset-Liability Management (ALM) –** A well-structured liability profile with minimal reliance on short-term borrowings alleviates asset-liability risks.
- **Experienced Leadership and Management –** A highly competent leadership team, complemented by a seasoned management having 250+ yrs / 7,00,000 hrs of experience cumulatively among themselves, facilitates effective operational and strategic execution.

Challenges

- **Changing Interest Rate Scenario –** Sensitivity to changing interest rate cycles and market conditions.
- **Macroeconomic Influences –** Exposure to broader economic fluctuations, including inflation and diminishing purchasing power, could affect loan demand.

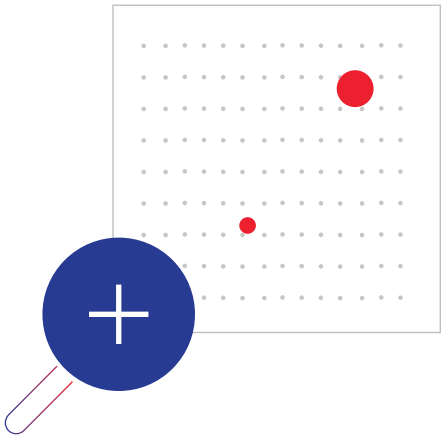
Opportunities

- **Expansion into Southern Markets –** Aavas has commenced its journey to foray in southern India. Leveraging the experience gained from business in Karnataka, the company will follow contiguous expansion in southern states.
- **Government Support –** Programmes such as PMAY 2.0, Interest Subsidy Scheme (ISS), PM Surya Ghar Yojana, and revised Priority Sector Lending (PSL) norms drive increased demand for housing finance.
- **Accelerated Urbanisation –** The aspirations of first-time homebuyers in Tier II and III cities create significant growth momentum.
- **Digital Innovation –** Adoption of digital platforms and artificial intelligence (AI) can enhance operational efficiency and customer engagement.
- **Affordable Housing Demand –** Heightened interest from private developers and government initiatives fosters opportunities for tailored financial solutions.

Threats

- **Intensifying Competition –** Growing competitive pressures from banks and other housing finance companies may impact margins.

- **Economic Volatility –** Potential economic downturns or slowdowns could adversely affect loan disbursement volumes and asset quality.
- **Regulatory Dynamics –** Frequent policy changes and evolving compliance requirements may introduce operational complexities.
- **Portfolio Exposure Risks –** Increased lending to economically vulnerable segments may pose challenges in maintaining asset quality.



PERFORMANCE REVIEW 2024-25

Financial Performance

Particulars	FY 2024-25 (₹ in crore)	FY 2023-24 (₹ in crore)
Total Income	2,358.42	2,020.30
Total Expense	1,625.83	1,395.80
Profit Before Tax	732.59	624.44
Profit After Tax	574.11	490.68
Earnings Per Share		
• Basic (₹)	72.54	62.03
• Diluted (₹)	71.97	61.93

Assets under Management

Assets under Management (AuM) of the company has crossed milestone of ₹ 20,000 crore this year. In FY 2024-25, our AUM grew by 18% YoY at ₹ 20,420 crore.

Income and Profits

Total income of the Company for the year ended March 31, 2025, was ₹ 2,358.42 crore compared to ₹ 2,020.30 crore in the previous year, growing 16.7% YoY.

Statement of Profit and Loss

Key highlights of the Statement of Profit and Loss for the year ended March 31, 2025, were:

- Total Profit after tax (PAT) increased by 17% to ₹ 574.11 crore in the current year from ₹ 490.68 crore in the previous year.
- The spread and Net Interest Margin (%) for the year stood at 4.89% and 7.64% respectively.
- Total Net Income stood at ₹ 1,342.6 crore, growth of 13.4%.
- Total expenses increased 16.5% during the year under review.
- The Company's Operating Expenses Ratio (to average total assets) stood at 3.32% for the year ended March 31, 2025.
- The Company's Return on Average Total Assets (ROA) stood at 3.27% for the year ended March 31, 2025.
- Return on average Net Worth was 14.12% compared to 13.94% in the previous year.
- The Operating Leverage (Average Total Asset to Average Equity) stood at 4.3x for FY 2024-25.

Operational Performance

Aavas is a retail affordable housing finance company, dedicated to empowering low-and middle-income individuals and families by providing accessible housing loans for home purchases, construction, and renovations. Through its MSME-focussed business loans, Aavas also supports small entrepreneurs playing a vital role in advancing financial inclusion and fostering grassroot economic growth.

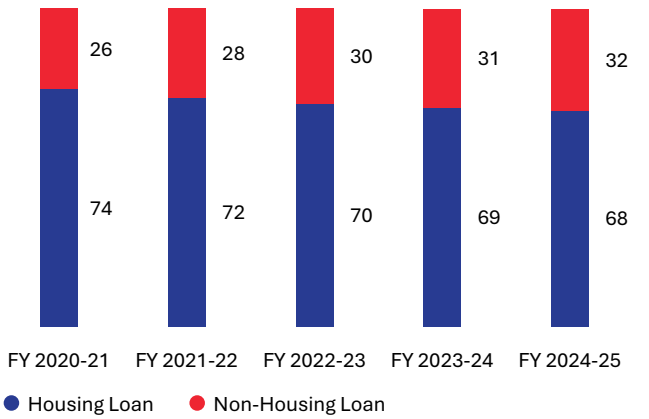
A significant portion of the loan book belong to borrower to purchase / construction of Single-unit Self-occupied residential homes. Many of Aavas' customers lack access to traditional bank credit for mortgage loans.

Loan products

The Company provides housing loans for purchasing / building residential homes, as well as extending and repairing existing ones. These home loans represent 68% of the total loan assets. In addition to house loans, Aavas provided mortgage-backed loans for property and MSME loans, accounting for 32% of total loan assets as of March 31, 2025.

During the same period, 53% of our total loan assets were from customers in the economically weaker section (EWS) and low-income group (LIG), earning less than ₹ 50,000 per month. As of March 31, 2025, the EWS and LIG segments accounted for 17% and 36% of total assets under management, respectively.

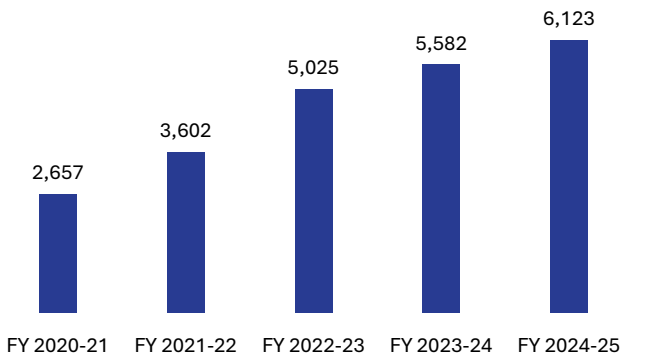
Loan Products (%)



Disbursements

During the year, the company disbursed ₹ 6,123 crore in mortgage loans, an 10% increase over ₹ 5,582 crore the year before. As of March 31, 2025, the total amount of loans disbursed since inception is ₹ 34,087 crore.

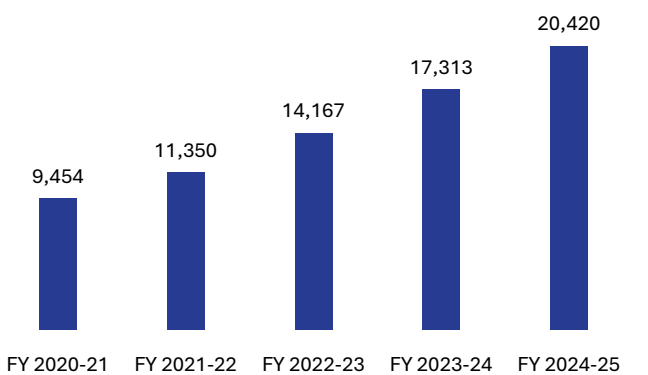
Disbursements (₹ in crore)



Assets under Management (AUM)

As of March 31, 2025, the Company's Assets Under Management (AUM) reached ₹ 20,420 crore, reflecting a 18% increase compared to ₹ 17,313 crore in the previous financial year. The average loan sanctioned during this period was ₹ 9.7 lakhs as of March 31, 2025.

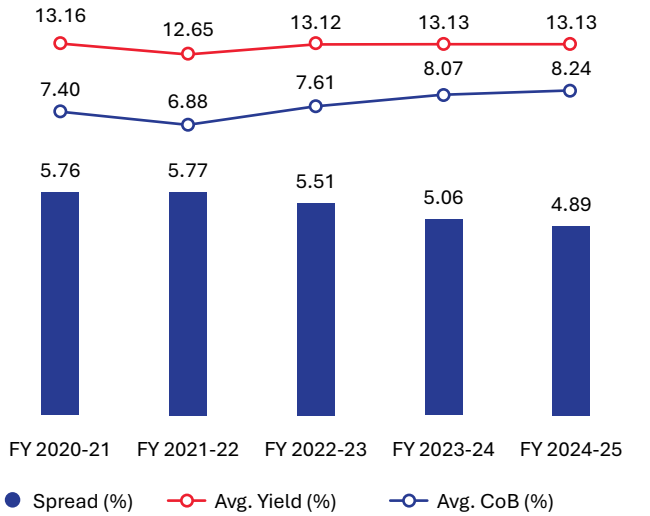
AUM (₹ in crore)



Spread on loans

As of March 31, 2025, the average yield on loan assets stood at 13.13% per annum. The cost of funds during the same period was 8.24% per annum, compared to 8.07% as of March 31, 2024. This resulted in a spread on loans of 4.89% as of March 31, 2025.

Spread on Loans

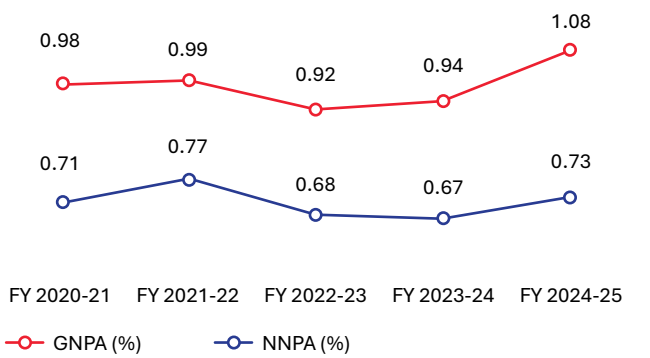


Non-performing assets (NPA)

Aavas has the best-in-class asset quality with 1+DPD at 3.39% lowest among peers. As of March 31, 2025, the Company's Gross NPAs stood at ₹ 176 crore (1.08% of loan assets) as compared to ₹ 132 crore (0.94%) as of March 31, 2024. The Company maintains a strong system for managing loan delinquency, encompassing regular portfolio reviews and a well-defined policy for addressing delinquencies and ensuring timely collections.

This proactive approach has resulted in a Gross NPA ratio of 1.08% and a Net NPA ratio of 0.73% as of March 31, 2025, compared to 0.94% and 0.67% respectively as of March 31, 2024. The credit cost for FY 2024-25 stood at 15 bps improving 1 bp over FY 2023-24 reinforcing our underwriting strength.

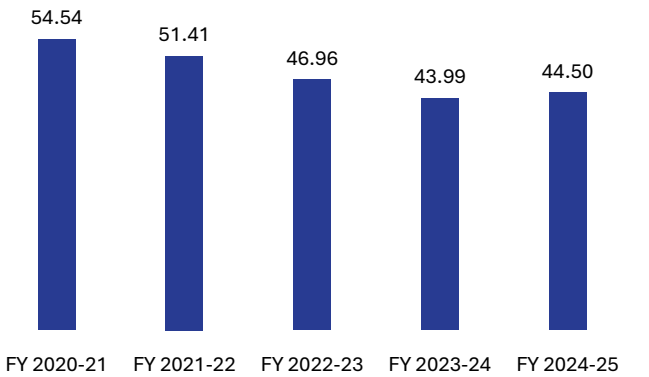
NPA (%)



Capital adequacy ratio (CAR)

The Company maintained a strong Capital Adequacy Ratio of 44.50% as on March 31, 2025 compared to 43.99% as on March 31, 2024, and significantly exceeding the regulatory minimum of 15%.

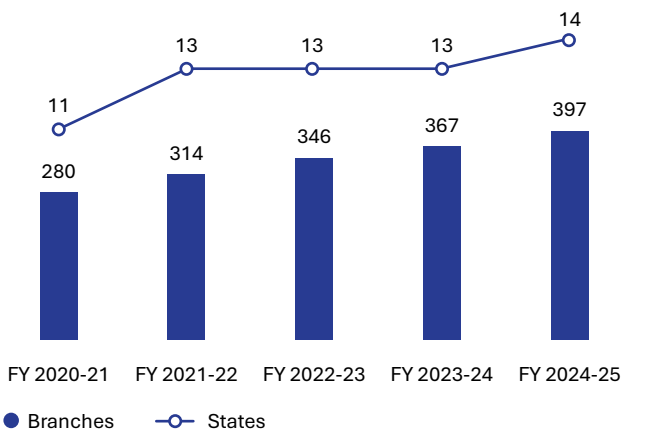
CAR (%)



Branch network

Aavas expanded its branch network through contiguous on-ground expansion across key regions. As of March 31, 2025, the Company operated through 397 branches spanning 14 States, with a significant presence in Rajasthan, Gujarat, Maharashtra, and Madhya Pradesh. The Company's registered office is located in Jaipur, Rajasthan. During FY 2024-25, the Company added 30 new branches to its network.

Branch Network



Outlook

Aavas is well-positioned for long-term success, with a focus on sustainable and profitable growth, disciplined cost management, and expanding its footprint across geographies. The company continues to diversify its loan portfolio while leveraging digital platforms and new technology stack to boost operational efficiency and improve the customer experience. The investments in technology are expected to optimise processes, shorten turnaround times, and raise the bar for service excellence.

With a clear vision for the future, Aavas aims to grow its AuM at a rate of 20-25%. Accelerating growth when economic conditions align to higher growth. The company remains confident in its ability to achieve this guidance backed by a dedicated team and well-defined strategic initiatives.

Aavas continues to maintain a robust financial base, emphasising cost-effective funding strategies, diversification of funding sources, and preservation of healthy asset quality. Its comprehensive risk management framework and disciplined credit underwriting practices effectively mitigate potential challenges regulatory developments and market competition.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Aavas focusses on Environmental, Social, and Governance (ESG) practices in its operations. The Company aligns its ESG initiatives with international standards such as CDP, GRI, and UN SDGs, partnering with Churchgate Partners for reviews and mapping. Aavas shares its ESG disclosures on its website and includes the Business Responsibility and Sustainability Report (BRSR) in its Annual Report, following SEBI regulations. It received a 'Strong' rating from CRISIL and a medium score from SES, ranking well among its peers. Aavas has also created a CSR & ESG Committee to oversee its ESG efforts and voluntarily adopted the BRSR Core Assurance.

Aavas promotes diversity and inclusion through programmes like the 'Udaan' Leadership Development Program and training for women employees. It also offers monthly menstrual leave and self-defence training. In sustainability, Aavas works with the International Finance Corporation (IFC) on self-built green housing, achieving 300 EDGE-certified Green Homes and earning recognition from ASSOCHAM. Additionally, its Project Gati initiative improves loan processing and customer service by reducing paperwork. These actions highlight Aavas' dedication to sustainability and responsible business practices.

For a detailed review, please refer to the chapter titled 'Value created for Environment' in this Annual Report on pages 42-45.

HUMAN RESOURCE

Aavas workforce is a key asset. Drawing on a team with diverse specialisations and domain knowledge to support its operations. The company's approach emphasises employee development and work-life balance, encouraging a culture that adapts to evolving workplace expectations. As of March 31, 2025, Aavas had 7,233 permanent employees.

For a detailed review, please refer to the chapter titled 'Value created for employees' in this Annual Report on pages 46-51.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive internal financial control system for financial reporting, designed to ensure reliable and GAAP-compliant financial statements. This system comprises detailed policies and procedures that provide reasonable assurance regarding the integrity of financial information. This includes maintaining accurate and complete records of all transactions and asset dispositions, ensuring transactions are appropriately recorded and aligned with authorised directives, and protecting assets to prevent or promptly detect unauthorised acquisition, use, or disposal.

An internal audit programme, overseen by an independent assurance function and supported by external specialists as needed, conducts risk-based assessments of compliance with established policies and procedures. The Audit Committee approves the audit plan and receives reports on audit findings and recommendations, which are then monitored and addressed as necessary.

CAUTIONARY STATEMENT

This section contains forward-looking statements regarding the Company's objectives, projections, expectations, and estimates. These statements are based on certain assumptions and expectations about future events, but the Company cannot guarantee their accuracy or realisation. Actual results may differ due to external factors beyond the Company's control. The Company assumes no obligation to publicly update or revise any forward-looking statements based on subsequent developments.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company ("The Board") is delighted to present before you the 15th Annual Report, reflecting Growth, Operational and Financial performance of Aavas Financiers Limited ("the Company" /"Aavas"/ "Your Company") along with the Audited Financial Statements for the Financial Year ended March 31, 2025.

COMPANY OVERVIEW

Your Company is a Housing Finance Company ("HFCs") registered with National Housing Bank ("NHB") regulated & controlled by Reserve Bank of India ("RBI") under the supervision of NHB. Your Company is engaged in providing Home Loans, Home Construction Loans, Loan against Property, and MSMEs business loans to the lower income segment of the society.

The Company specializes in providing home financing solutions to communities that have traditionally been underserved, unserved or overlooked by major financial institutions. Its strategic focus is on catering to the housing needs of low and middle-income groups primarily in semi-urban and rural areas. By doing so, the Company effectively bridges a critical gap in the housing finance landscape and reaches out to a niche market segment that is often neglected by larger financial institutions.

During the Financial Year, the Company has achieved a significant milestone in its journey – achieving ₹ 20,000 crore in Assets Under Management ("AUM"). This remarkable achievement reaffirms our commitment in providing accessible and affordable housing finance to thousands of families across India.

The Company's live customer count as at March 31, 2025 was 2.08 lakhs. Further, the cumulative loan disbursement since inception as at March 31, 2025 was ₹ 34,086.78 crore.

Today, your Company is a pan-India player with 397 branches across 14 states, reinforcing our deep commitment to financial inclusion.

FINANCIAL PERFORMANCE

Major highlights of performance of your Company for the Financial Year ended March 31, 2025 are as under:

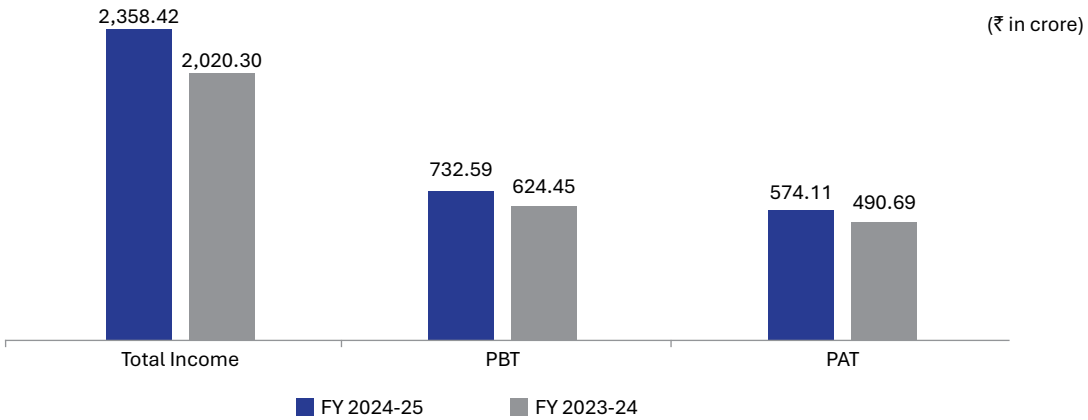
(₹ in crore)

	Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A	Total Income	2,358.42	2,020.30
	Less:		
	Total Expenditure before Depreciation & Amortization and provision	(1,562.25)	(1,338.71)
	Impairment on financial instruments	(27.12)	(24.47)
	Depreciation & Amortization	(36.45)	(32.66)
B	Total Expenses	(1,625.83)	(1,395.85)
C	**Profit Before Tax (A-B)**	**732.59**	**624.45**
D	Less: Provision for Taxations (Net of Deferred Tax)	(158.48)	(133.76)
E	**Profit After Tax (C-D)**	**574.11**	**490.69**
F	Add: Other Comprehensive Income (Net of Tax)	0.24	0.15
G	**Total Comprehensive Income (E+F)**	**574.34**	**490.85**
H	Transfer to Statutory Reserve	114.87	98.17

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Audited Financial Statements as stated above are presented as a separate section of this Annual Report.

The key financial performance indicators for the Financial Year under review are as follows:

- Total Income, Profit Before Tax ("PBT"), Profit After Tax ("PAT") of your Company:



- Total Income for the Financial Year 2024-25 increased to ₹ 2,358.42 crore as compared to ₹ 2,020.30 crore in the previous Financial Year.

- During the year, the Company has earned PBT of ₹ 732.59 crore as compared to ₹ 624.45 crore in the previous Financial Year, and the PAT during the year was ₹ 574.11 crore as compared to ₹ 490.69 crore in the previous Financial Year, recording an increase of 17%.

- The AUM of your Company stood at ₹ 20,420.18 crore (including assignment and PTC of ₹ 4,423.48 crore) as at March 31, 2025 as against ₹ 17,312.65 crore (including assignment of ₹ 3,722.72 crore) in the previous Financial Year, with a growth of 18%.

Furthermore, during Financial Year under review, there were no alterations/changes in the core operations or activities or nature of business of the Company.

DIVIDEND

Considering the capital-intensive nature of the business, the business plan of the Company and with a view to plough back the profits, the Board has not recommended dividend for consideration of the members at the ensuing Annual General Meeting ('AGM') in order to build a strong base for its long-term growth.

In compliance with the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), the RBI Master Direction – (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Directions") the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy. The Policy is available on the website of the Company at link https://www.aavas.in/img/pdf/dividend-distribution-policy.pdf. and forms part of this Annual Report as '**Annexure-5**'.

SHARE CAPITAL/ CAPITAL STRUCTURE AND DEBENTURES

Authorized Capital

During the Financial Year under review, there has been no change in the Authorized Capital of the Company. Your Company's Authorized Capital is set as ₹ 85,00,00,000/- (Rupees eighty five crore only) divided into 8,50,00,000 (Eight crore fifty lakhs) Equity Shares of ₹ 10/-(Rupees ten only) each.

Issued, Subscribed & Paid up Capital

During the Financial Year under review, the Company allotted 13,960 (Thirteen thousand nine hundred and sixty only) Equity Shares of face value of ₹ 10/- (Rupees ten only) each pursuant to exercise of employee stock options by the eligible employees of the Company under Equity Stock Option Plans ("ESOPs") and Performance Stock Option Plans ("PSOPs") of the Company.

Pursuant to the aforesaid allotment of Equity Shares, the issued, subscribed and paid-up share capital of the Company as on March 31, 2025, stands increased to ₹ 79,15,36,650/-(Rupees seventy nine crore fifteen lakhs thirty six thousand six hundred and fifty only) divided into 7,91,53,665 (seven crore ninety one lakhs fifty three thousand six hundred and sixty five) Equity Shares of Face Value ₹ 10/- (Rupees ten only) each.

The shares of the Company are actively traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and have not been suspended from trading.

Debentures

Details of Secured Debt Securities as on March 31, 2025:

(₹ in crore)

Sr. No	ISIN	Date of allotment	Outstanding Amount	Listed/Unlisted	Stock Exchange
1	INE216P07175	30-03-2020	205.11	Unlisted	-
2	INE216P07209	31-12-2020	15.00	Listed	BSE Limited
3	INE216P07217	26-11-2021	99.00		
4	INE216P07225	25-03-2022	40.00		
5	INE216P07233	20-07-2023	105.00		
6	INE216P07241	29-10-2024	630.00		
7	INE216P07258	15-01-2025	100.00		
8	INE216P07266	15-01-2025	100.00		

TRANSFER TO SPECIAL RESERVE (UNDER SECTION 29C OF THE NATIONAL HOUSING BANK ("NHB") ACT, 1987)

Under Section 29C of the National Housing Bank Act, 1987, Housing Finance Companies ("HFCs") are required to transfer a sum not less than 20% of their net profit every year to their reserve fund before declaration of any dividend. Your Company has transferred a sum of ₹ 114.87 crore, to reserve fund, which is 20% of its net profit.

OPERATIONS OF THE COMPANY

In the realm of housing finance sector in India, your renowned Company remains steadfast, with a mission focused on addressing the swiftly increasing demand for housing loans. With a strong commitment to growth together with our customers, we have established a path of ongoing expansion, strategically reaching various regions.

During the Financial Year under review, our presence extended gracefully across 14 states, featuring 397 branches that serve as beacons of financial empowerment.

As we have opted for an alternative path with a significant objective, unlike many others in our industry who focus on metropolis and urban cities, our focus is on the suburban and rural regions of India, where individuals from lower to middle-income backgrounds have a strong desire to achieve homeownership. In these locales, characterized by lush fields and developing communities, we are driven by a profound commitment to enhance people's lives through the provision of housing.

Your Company aims to empower and upgrade the lives of low and middle income customers by providing them accessible home loans and setting pioneering benchmarks in unserved and underserved markets.

Details regarding the operations of the Company and its state of affairs are covered in the 'Management Discussion and Analysis Report' forming part of this Annual Report.

During the Financial Year under review, your Company has demonstrated impressive and robust performance, as highlighted by the financial summary as below.

Income & Profits

- The Company witnessed an impressive surge in Total Income by 16.74% to ₹ 2,358.42 crore for the Financial Year ended March 31, 2025 as compared to ₹ 2,020.30 crore for the previous Financial Year.
- PBT was 17% higher at ₹ 732.59 crore as compared to ₹ 624.45 crore for the previous Financial Year and PAT was 17% higher at ₹ 574.11 crore as compared to ₹ 490.69 crore for the previous Financial Year.

Sanctions

- Throughout the Financial Year 2024-25, your Company has sanctioned housing loans for ₹ 6,240.53 crore as compared to ₹ 5,670.66 crore in the previous Financial Year, with an annual growth of 10 %.
- Since the inception of your Company, the cumulative loan sanctions reached at ₹ 35,301.25 crore as at March 31, 2025 and the Company has not granted any loan against the collateral of Gold Jewellery and loan against Shares during the year under review.

Disbursements

- The total housing loan disbursement reached at ₹ 6,123.01 crore as compared to ₹ 5,582.23 crore in the previous Financial Year registering an annual growth of 10%.
- The cumulative loan disbursement since inception as at March 31, 2025 was ₹ 34,086.78 crore.

Assets Under Management ("AUM")

AUM reflects the financial stability of the Company and serves as a key indicator of its growth and revenue potential.

- The AUM of your Company stood at ₹ 20,420.18 crore (including assignment and PTC of ₹ 4,423.48 crore) as at March 31, 2025 as against ₹ 17,312.65 crore (including assignment of ₹ 3,722.72 crore) in the previous Financial Year, with a growth of 18%.
- As at March 31, 2025, the average size of loan sanctioned was ₹ 9.68 lakhs and average tenure was 194.9 months in the AUM (on origination basis).

Capital Strength and Liquidity Position

- The Company's total Capital Adequacy was recorded at 44.50% (previous Financial Year 43.98%) significantly exceeding the minimum threshold of 15% mandated by the RBI Master Directions showing strong position of the Company.
- Additionally, as of March 31, 2025, the Company's Liquidity Coverage Ratio ("LCR") was 128.12% which is well above the regulatory requirement of 85%.

Non-Performing Assets ("NPA")

Your Company complies with the Indian Accounting Standards ("Ind AS") regarding the calculation of Stage-3 Assets ("NPA"). The classification of the Company's assets is based on expected performance. Exposure at Default ("EAD") represents the total outstanding amount, including accrued interest, as of the reporting date.

Thorough monitoring, early warning signals and instant actions enable the Company to maintain its portfolio quality. The Gross Non-Performing Assets ("GNPA") and Net Non-Performing Assets ("NNPA") as on March 31, 2025, were recorded at 1.08% and 0.73% respectively, compared to 0.94% and 0.67% in the previous Financial Year.

RATINGS OF THE COMPANY

Credit Rating

The financial prudence and discipline of the Company is demonstrated in the Credit Ratings assigned by Credit Rating Agencies as under:

Rating Agencies	Long Term Bank Facilities Rating	NCD Rating	Commercial Paper Rating/ Short Term Debt	Outlook
ICRA Limited	AA; Stable	AA; Stable	A1+	Stable/Positive
CARE Ratings Limited	AA; Stable	AA; Stable	-	Stable/Positive
India Ratings and Research Private Limited	-	-	A1+	-

For more details on credit ratings, kindly visit to website of the Company at https://www.aavas.in/investor-relations/credit-rating.

Environmental, Social, and Governance ("ESG") Rating

The Company has garnered notable recognition in the field of ESG practices, demonstrating its steadfast dedication to sustainability. The Company consecutively received the acclaimed 'Best Mid-Cap-Service Sector Award' at the Sustainability Reporting Awards, hosted by the Institute of Chartered Accountants of India ("ICAI") for Excellence in Business Responsibility and Sustainability Reporting ("BRSR"). The Company's ESG ratings further illustrate its strong performance and commitment to sustainability metrics:

Rating Agencies	Ratings
CRISIL ESG Ratings & Analytics Limited	63 (Strong)
SES ESG Research Private Limited	77.8 (Medium)

The Company has not engaged with any ESG Rating Provider for rating. They have independently assigned the rating to the Company based on the Financial Year 2023-24 disclosures and other publicly available data. For more details on ESG ratings, kindly visit to website of the Company at https://www.aavas.in/esg-ratings.

REGULATORY & STATUTORY COMPLIANCES

In line with its commitment to ethical governance and transparent operations, the Company accords utmost importance to compliance with all applicable regulatory and statutory requirements. It operates within a well-defined compliance framework that ensures adherence to all relevant laws, rules and standards.

Your Company ensures strict adherence to all relevant guidelines, circulars, notifications and directions issued by our Regulators which includes but not limited to Reserve Bank of India ("RBI"), National Housing Bank ("NHB"), Ministry of Corporate Affairs ("MCA"), Securities and Exchange Board of India ("SEBI"), Insurance Regulatory and Development Authority of India ("IRDAI"), BSE and NSE from time to time. These guidelines, circulars, notifications and directions are also presented to the Board in the form of regulatory updates to keep the Board informed and report on actions initiated on the same. The Company also complies with the provisions of the Companies Act 2013, Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and as notified by Ministry of Corporate Affairs from time to time.

Further, the Company aligns itself with key regulatory frameworks such as the Ministry of Corporate Affairs' notifications, the RBI Master Directions – Non-Banking Financial Company (Housing Finance Company) Directions, 2021, the RBI Master Direction – (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Income Tax Act, 1961 and Goods and Services Tax Act (GST). In addition, the Company diligently observes all other applicable statutory and regulatory requirements to maintain robust compliance and governance standards.

Compliance with Directions/ Guidelines of Reserve Bank of India ("RBI")/ National Housing Bank ("NHB")/ and other statutes

Your Company has complied with the Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. Your Company is adhering to all the instructions, guidelines and circulars issued by RBI during the year on various matters such as Key Fact Statement for Loans and Advances, strengthening of customer service rendered by Credit Information Companies and Credit Institutions, Know Your Customer ("KYC") Guidelines, Fraud Risk Management, Guidelines on Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards in Housing Finance Companies, which were duly implemented by the Company including formation of policies, implementing procedures and to review their outcome on periodic basis.

Further, the RBI had issued various Master Direction during the year including Master Direction on Fraud Risk Management dated July 15, 2024, Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024 and Master Direction on Reserve Bank of India (Credit Information Reporting) Directions, 2025 dated January 06, 2025. Your Company has duly implemented and adopted the said directions ensuring its compliance.

As per various circulars on Returns to be submitted by HFCs and various Circulars/ Guidelines/Notifications issued by NHB, your Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/ closing (shifting/ relocation) of branches within prescribed time-limit during the Financial Year 2024-25.

Insurance Regulatory and Development Authority of India ("IRDAI") Compliance

The Company is registered with the IRDAI as a Corporate Agent for carrying on the Insurance Agency Business and has complied with the applicable requirements under Insurance Regulatory and Development Act, 1999 and IRDAI (Registration of Corporate Agent) Regulations 2015, as amended from time to time. Being an insurance intermediary, Company is maintaining all the required information as per IRDAI rules.

The Company's Certificate of Registration to act as Corporate Agent (Composite) was renewed with validity of three years from December 08, 2023 to December 07, 2026.

DEPOSITS

Your Company being a non-deposit-taking Housing Finance Company has not solicited, accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the Financial Year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act and in terms of RBI Master Directions- Non-Banking Financial Company (Housing Finance Company) Directions, 2021 is not required.

AWARDS AND RECOGNITION

- Honored with Best Mid-Cap – Service Sector Award in the Sustainability Reporting Awards 2023-24 by the Institute of Chartered Accountants of India ("ICAI") for Excellence in Business Responsibility and Sustainability Reporting ("BRSR") at IICC, New Delhi.
- Honored with ET NOW Best BFSI Brands 2025 Award.
- Honored with Best Annual Report 2024 by The Free Press Journal in the category of Finance-Housing.
- Honored with Product Innovation by National Housing Bank in Housing & Housing Finance Excellence Awards 2025.

ENROLLMENT IN GOVERNMENT SCHEMES

The Company has entered into a Memorandum of Understanding (MoU) with National Housing bank on November 05, 2024, to participate in the Interest Subsidy Scheme under Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0) for claiming subsidy on home loans taken by eligible urban poor for acquisition, construction of house, thereby enabling beneficiaries to access affordable housing with financial relief and improved home ownership opportunities.

During the year, your Company has also registered under "Credit Risk Guarantee Fund Trust for Low Income Housing Scheme ("CRGFTLIH Scheme")" as member lending institution to avail guarantee facility under the CRGFTLIH Scheme.

RESOURCE MOBILIZATION

In alignment with the long-term strategic objectives, your Company has established a comprehensive borrowing policy framework to ensure prudent and efficient management of its funding requirements. The key objective of this framework is to maintain a diversified liability profile and reduce concentration

risk by limiting excessive reliance on any single lender or financial instrument.

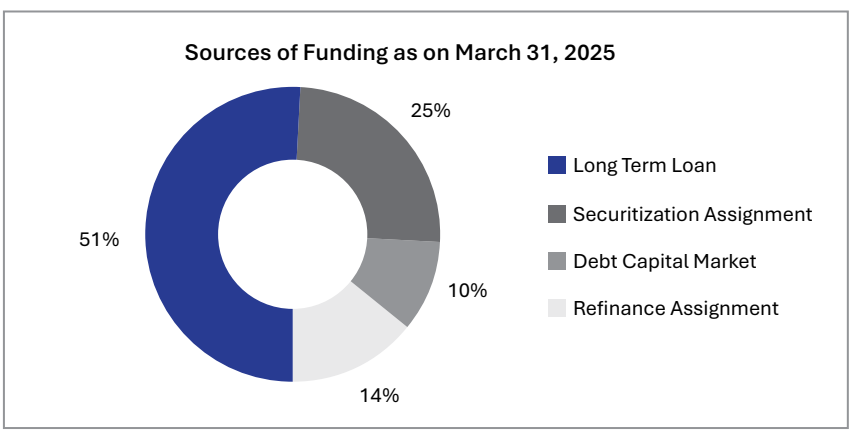
Your Company continues to engage with a broad spectrum of lenders and Financial Institutions, including Public Sector Banks, Private Sector Banks, NHB, Mutual Funds, SIDBI, Multilateral Institutions and other financial institutions.

This diversified lender base enables the Company to optimise the cost of funds and enhance financial flexibility.

In accordance with Section 180(1)(c) of the Companies Act, 2013, the Shareholders of the Company, through a Special Resolution passed on August 7, 2024, authorized the Board of Directors (deemed to include Executive Committee of the Board) to borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the paid-up share capital, securities premium and free reserves of the Company, subject to an overall borrowing limit of ₹ 27,000 crore (Rupees twenty seven thousand crore only).

The Key highlights of your Company's borrowing and liquidity positions as on March 31, 2025 are mentioned below:

- Weighted Average Borrowing Cost as at March 31, 2025 was 8.24% (including Securitization/ Assignment) as against 8.07% as at the end of the previous Financial Year.
- The Company's sources of funding were primarily in the form of Long Term Loans from Banks and Financial Institutions (51%), followed by Securitization/Direct assignment (25%), NHB Refinance (14%), Debt capital market (10%).
- The Company maintained a comfortable liquidity position as on March 31, 2025 with ₹ 1559.63 crore (including FD's).
- The Liquidity Coverage Ratio ("LCR") for the Financial Year ended March 31, 2025 was 128.12% against the regulatory requirement of 85%.



Term Loans from Banks and Financial Institutions

The Company, during the Financial Year, received aggregate fresh loan sanctions amounting to ₹ 3,940 crore and has availed loans aggregating to ₹ 3,515 crore. The outstanding term loans from Banks and Financial Institutions as at March 31, 2025 were ₹ 9,124 crore (excluding PTC & CC) with average tenure of around 9 years.

Co-Lending/Securitization/Assignment of Loan Portfolio

Your Company has actively tapped co-lending/ Securitization/ Direct Assignment market, which has enabled it to create liquidity, diversify liability profile and minimizing asset liability mismatches.

During the year under review, your Company received purchase consideration of ₹ 1,523 crore from assets assigned under transfer of loan portfolio transactions and raised ₹ 101 crore through co-lending of loan portfolio.

The transfer of loan portfolio and co-lending transactions were carried out in line with RBI guidelines and these assets were de-recognized in the books of the Company.

Refinance from National Housing Bank ("NHB")

As on March 31,2025, total outstanding balance of refinance from NHB stood at around ₹ 2,577 crore.

Non-Convertible Debentures (NCDs)

Your Company has raised long term funding through issuance of debt securities not only to the Domestic Financial Institution ("FI") but also to Multilateral/Development Financial Institutions ("DFI") and Scheduled Commercial Bank ("SCB") in India. During the year under review, your Company has raised ₹ 830

crore through issuance of debt securities and as on March 31, 2025, the Company's outstanding NCDs stood at around ₹ 1,317 crore [FI – 23 % ;DFI – 65 % and SCB- 12 %] as compared to ₹ 945 crore [FI – 10 % ;DFI - 66 % and SCB- 24 %] as on March 31, 2024.

Your Company has not issued any Commercial Paper & Short Term Instrument during the Financial Year 2024-25 and as on March 31, 2025, the Company's Commercial Paper outstanding is NIL.

Rupee Denominated External Commercial Borrowing

As on March 31, 2025 the outstanding balance of Rupee Denominated External Commercial Bond stood at ₹ 410.96 crore (including outstanding balance of social masala bond of ₹ 360.86 crore).

Further, the interest on NCDs and Masala Bonds issued on private placement basis were paid by the Company on their respective due dates and there was no instance of interest amount not claimed by the investors or not paid by the Company.

Your Company, being listed HFC, is exempted from the requirement of creating Debenture Redemption Reserve ("DRR") on privately placed debentures. Therefore, your Company has not created DRR. Further the requirement to invest or deposit a sum of not less than 15% of the amount of debentures which are maturing during the Financial Year ending on March 31 of the next year as provided under Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 has been done away for listed Companies vide notification of MCA dated June 05, 2020.

TRUSTEE TO SECURITIES HOLDERS

In compliance to the requirements of Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation 2021, the Company has appointed IDBI Trusteeship Services Limited as Debenture Trustee to protect the interest of the debenture holders of the Company.

The details of Debenture Trustee are available on the Company's website at https://www.aavas.in/details-of-debenture-trustee-rta-and-grievance. Further, the details of Debenture Trustee is also provided at corporate information section, of this Annual Report.

BRANCH BUILD-UP

A strong branch network forms the backbone of the Company's operations, enabling it to serve customers effectively at the grassroots level. Each branch acts as a strategic touchpoint, driving business growth and fostering closer engagement with local communities. By expanding the physical presence, the Company continues to strengthen its reach, improve customer access and tap into emerging markets across India.

As on March 31, 2025, the Company is operating in 14 states, with a network of 397 branches, consisting of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi, Uttar Pradesh, Haryana, Chhattisgarh, Uttarakhand, Himachal Pradesh, Punjab, Odisha, Karnataka and Tamil Nadu. The Company added 30 new branches during the Financial Year 2024-25.

Your Company has its Registered Office in Jaipur, Rajasthan and its branch network as on March 31, 2025 vis-à-vis the previous Financial Year are detailed hereunder:

State	Branches as on March 31,2025	Branches as on March 31,2024
Rajasthan	109	108
Madhya Pradesh	55	51
Maharashtra	51	49
Gujarat	46	45
Uttar Pradesh	39	32
Karnataka	38	26
Haryana	20	18
Chhattisgarh	9	9
Uttarakhand	9	9
Odisha	6	6
Delhi	5	5
Punjab	5	5
Himachal Pradesh	4	4
Tamil Nadu	1	-
Total number of branches	**397**	**367**

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company's Board of Directors is committed in upholding the highest standards of integrity, which serve as the cornerstone of the Company's governance framework.

The Board of Directors of the Company is a panel of members having diverse set of competencies, demonstrated experience, personal integrity, ethics, and Governance expertise. In addition to possessing relevant skills, Directors exhibit leadership qualities that contribute to the effective stewardship of the organization.

In accordance with Section 149 of the Act, Regulation 17 of SEBI (LODR) Regulations, 2015 and the RBI Master Direction – (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, your Company has optimum mix of Executive, Non-Executive and Independent Directors.

The Board assumes a critical role in overseeing management operations and ensuring alignment with the short-term and long-term interests of stakeholders. This belief is reflected in Aavas governance practices, under which the Company strives to maintain an effective, informed and independent Board.

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Non-Executive Directors, including Independent Directors, play a critical role in imparting value to the Board processes by bringing an independent judgment in the areas of strategy, performance, resource management, financial reporting, the overall standard of Company's conducts etc.

The Board has identified the core competencies (like Accounting & Finance, Legal & Compliance, Strategic Development & Execution, Governance Board Role etc.) and some specialized skills as essential for the effective functioning of the Company as a Non-Banking Financial Company ("NBFC") and Housing Finance Company.

The Board of the Company comprises of 9 (Nine) Directors, comprising 3 (Three) Non-Executive Independent Directors (including 2 (Two) Women Directors), 5 (Five) Non-Executive Nominee Directors and 1 (One) Executive Director-Managing Director & Chief Executive Officer as on March 31, 2025 who build strong foundation in business principles and leadership.

The Composition of Board of Directors and Key Managerial Personnel of the Company is as follows:

BOARD OF DIRECTORS

The Composition of the Board of the Company as on March 31, 2025 is given below:

Name of Director	Designation and Category
Mr. Sandeep Tandon	Chairperson-Independent Director (Non- Executive)
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)
Mrs. Soumya Rajan	Independent Director (Non- Executive)
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)
Mr. Ramachandra Kasargod Kamath	Nominee Director (Non- Executive)
Mr. Vivek Vig	Nominee Director (Non- Executive)
Mr. Nishant Sharma	Promoter Nominee Director (Non- Executive)
Mr. Manas Tandon	Promoter Nominee Director (Non- Executive)
Mr. Rahul Mehta*	Promoter Nominee Director (Non- Executive)

*Appointed as an Additional Director w.e.f. May 21, 2024 and appointed as Promoter Nominee Non-Executive Director w.e.f. August 07, 2024 in place of Mr. Kartikeya Dhruv Kaji who has resigned w.e.f May 21, 2024.

After the end of Financial Year 2024-25 and up to June 30, 2025, pursuant to purchase of shares under the separate share sale agreements entered into by each of (i) Lake District Holdings Limited ("LDHL"), promoter of the Company till June 30, 2025 (ii) Partners Group ESCL Limited ("PGEL"), promoter of the Company till June 30, 2025 & (iii) Partners Group Private Equity (Master Fund), LLC ("PGPE"), member of the promoter group of the Company till June 30, 2025 (LDHL, PGEL and PGPE collectively referred as 'Sellers'), with the Company and Aquilo House Pte. Ltd. ('Purchaser') on August 10, 2024 (collectively, the "SPAs"), the Purchaser has acquired an aggregate of 2,09,49,112 equity shares of the Company representing 26.47% of paid-up share capital of the Company as on June 30, 2025. For the sake of completeness, please note that as on March 31, 2025, the Purchaser held 17,808,116 equity shares of the Company representing 22.50% of the share capital of the Company, acquired on March 21, 2025 pursuant to an open offer announced by the Purchaser vide public announcement dated August 10, 2024 in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations), 2011.

Pursuant to the above, the Sellers and other members of the promoter group have ceased to be the promoters and members of the promoter group of the Company, and are not in control of the Company; and the Purchaser has acquired control of the Company, and stands reclassified as a 'promoter' of the Company, in each case with effect from June 30, 2025.

Pursuant to completion of the transactions contemplated in the SPAs, the 5 (five) Non-Executive Directors nominated by the Sellers resigned with effect from June 30, 2025, and 5 (five) Additional Non-Executive Non-Independent Directors nominated by the Purchaser, the new promoter, were appointed by the Board of Directors subject to approval of the members of the Company, with effect from June 30, 2025, detailed as under:

Sr. No.	Directors resigned w.e.f. June 30, 2025	Directors appointed w.e.f. June 30, 2025
1	Mr. Ramachandra Kasargod Kamath	Mr. Elcid Vergara
2	Mr. Vivek Vig	Mr. Siddharth Tapaswin Patel
3	Mr. Nishant Sharma	Mr. Nikhil Omprakash Gahrotra
4	Mr. Manas Tandon	Mrs. Neha Sureka
5	Mr. Rahul Mehta	Mr. Anant Jain

KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the following are the Key Managerial Personnel of the Company:

Sr. No.	Name of KMP	Designation
1	Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO
2	Mr. Ghanshyam Rawat	President and Chief Financial Officer
3	Mr. Ashutosh Atre	President and Chief Risk Officer
4.	Mr. Saurabh Sharma*	Company Secretary and Compliance Officer

* In compliance with advisory issued by National Housing Bank vide letter MRO/DOS/DAK/2024/03875 dated December 13, 2024, regarding separation of the role of Company Secretary and Chief Compliance Officer. Mr. Sharad Pathak resigned from the post of Company Secretary and Compliance Officer, w.e.f. closing hours of January 30, 2025 and continues to hold the office as Chief Compliance Officer and Mr. Saurabh Sharma was appointed as the Company Secretary and Compliance Officer w.e.f. January 31, 2025.

APPOINTMENT & RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year under review and up to the date of this report, the Company has witnessed changes in its Board composition and KMP structure in accordance with corporate governance requirements and business imperatives. The appointments, resignations, and reconstitutions have been undertaken to strengthen leadership, align with regulatory directives, and enhance operational efficiencies.

Appointment	Reappointment	Resignation or Retirement	Directors Retiring by Rotation	Appointments/ Resignations of the Key Managerial Personnel (KMP)
During the Financial Year under review, the Members at its 14th AGM held on August 07, 2024, approved the appointment of Mr. Rahul Mehta (DIN: 09485275) as Non-Executive Nominee Director of the Company. Mr. Elcid Vergara, Mr. Anant Jain, Mrs. Neha Sureka, Mr. Nikhil Omprakash Gahrotra and Mr. Siddharth Tapaswin Patel were appointed as Additional Non-Executive Directors of the Company w.e.f. June 30, 2025, subject to approval of the members of the Company.	During the Financial Year under review, the Members at its 14th AGM held on August 07, 2024, approved the re-appointment of Mrs. Soumya Rajan (DIN: 03579199) as Independent Director of the Company for a second term of 5 years w.e.f. August 29, 2024 till August 28, 2029.	Mr. Kartikeya Dhruv Kaji resigned from the Board of the Company w.e.f May 21, 2024. Mr. Ramachandra Kasargod Kamath, Mr. Vivek Vig, Mr. Nishant Sharma, Mr. Manas Tandon, and Mr. Rahul Mehta resigned as Non-Executive Directors from the Board of the Company w.e.f. June 30, 2025	Pursuant to the provisions of Section 152 of the Act, Mr. Manas Tandon, Promoter Nominee Director and Mr. Nishant Sharma, Promoter Nominee Director of the Company, retired and being eligible, were re-appointed with the approval of members at the 14th AGM held on August 07, 2024. Further, in accordance with the provisions of the Act, as the Managing Director & CEO of the Company is not liable to retire by rotation, and all the Non-Executive Non-Independent Directors have been appointed as Additional Directors w.e.f. June 30, 2025 and hold office up to the ensuing Annual General Meeting (AGM), therefore, no director of the Company is liable to retire by rotation at the ensuing AGM as per the current composition of the Board of the Company.	In compliance with advisory issued by National Housing Bank vide letter MRO/DOS/DAK/2024/03875 dated December 13, 2024, regarding separation of the role of Company Secretary and Chief Compliance Officer Mr. Sharad Pathak resigned from the post of Company Secretary and Compliance Officer, w.e.f. closing hours of January 30, 2025 and continues to hold the office as Chief Compliance Officer and Mr. Saurabh Sharma was appointed as the Company Secretary and Compliance Officer w.e.f. January 31, 2025.

DECLARATION BY INDEPENDENT DIRECTOR

In accordance with the provisions of the Section 149(6) of the Act and Regulation 16(1)(b) & 25 of SEBI (LODR) Regulations, 2015, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence for Independent Directors.

The Board affirms that the Independent Directors fulfill the aforesaid criteria and possess requisite integrity, qualifications, proficiency, experience, expertise and are independent of the management.

The names of all the Independent Directors of the Company have been included in the Independent Director's databank maintained by Indian Institute of Corporate Affairs ("IICA"). None of the Directors have any pecuniary relationship or transactions with the Company.

CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS

The Board of Directors hereby affirms that none of its members are disqualified from being appointed as Directors in accordance with the provisions of Section 164 of the Act. Further, no Director has been debarred from holding the office of Directors by virtue of any SEBI order or any other such authority. None of the Directors of the Company are related to each other.

In support of the above, a certificate from a Company Secretary in practice has been obtained confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI / MCA or any such statutory authority. The same forms part of this Annual Report as '**Annexure-1**'.

DISCLOSURE UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013

The Managing Director and CEO of the Company has not received any commission from its Subsidiary Company.

BOARD MEETINGS

The Company ensures compliance with Corporate Governance best practices by convening a minimum of 4 (Four) Board meetings annually, with 1 (One) meeting held in each quarter. The schedule for these meetings is determined well in advance, following due consultation and concurrence of all Directors.

Decisions requiring immediate attention and matters of urgency, approved via circular resolutions, are subsequently presented to and duly noted at the next scheduled Board meeting to ensure transparency and accountability in governance.

During the Financial Year under review, the Board convened and conducted 7 (seven) meetings. The attendance details of individual Directors at these meetings are comprehensively documented in the Corporate Governance Report and therefore are not reiterated here to prevent redundancy in reporting.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors plays a crucial role in propelling success of the Company and Board Evaluation is the essential process that allows the Board to recognize and tackle challenges related to Corporate Governance, thereby increasing the overall value of the organization. A thorough and effective Board Evaluation plays a crucial role in enhancing performance at both the organizational board level and individual level.

In accordance with the criteria set forth in the Act and the SEBI (LODR) Regulations 2015, the Board of Directors has conducted an annual assessment of its performance, along with that of its Committees and Individual Directors. The Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors, which is in compliance with the applicable provisions of the Act and the SEBI (LODR) Regulations, 2015.

Further, the Board oversees, evaluates, and revises the framework in collaboration with the Nomination and Remuneration Committee, as necessary and in response to new compliance obligations.

The Board Evaluation process is carried out through a web based platform called 'Goveva', which streamlines the process, boosts operational efficiency and automates report generation.

The comprehensive evaluation process for the Board, its Committees, and individual Directors, including Independent Directors, is outlined in the Corporate Governance Report, which is the part of this Report.

SEPARATE INDEPENDENT DIRECTORS' MEETINGS

During the Financial Year under review, a separate meeting of Independent Directors was convened on March 05, 2025 in strict adherence to regulatory requirements. This meeting was held without the participation of Non-Independent Directors or members of the Company's Management, thereby ensuring an environment conducive to independent deliberation and oversight.

The Independent Directors, in the course of this meeting, reviewed and discussed various matters arising from Committee meetings and Board deliberations. Their discussions encompassed, inter alia, the assessment of the quality, adequacy, and timelines of information flow between the Company's Management and the Board, ensuring that the Board is equipped with all necessary data and insights to effectively discharge its fiduciary and governance responsibilities.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In our dedication to uphold strong governance practices, your Company has in place a system of conducting the familiarization programmes for Independent Directors in view of adherence with the expected obligations and responsibilities of Independent Directors as prescribed under the Regulation 25(7) of the SEBI (LODR) Regulations, 2015. As per the Programme, Independent Directors are acquainted with their roles, rights, responsibilities, and the nature and business model of the Company upon their induction.

The Programme is designed to provide a conceptual framework aligned with contemporary expectations, mandating that Independent Directors comply with a code of ethics and integrity to fulfil their responsibilities in a professional and trustworthy manner, thereby fostering confidence within the investment community. The objective of this program is to educate Independent Directors about their rights and obligations, as well as to familiarize them with the regulatory landscape and the business model under which the Company operates.

The induction and continuous training programs empower the Board, including Independent Directors to make well-informed and deliberate decisions that align with the best interests of the Company's stakeholders.

The specifics of the Familiarization Programme have been hosted on the Company's website and can be accessed at https://www.aavas.in/codes-and-policies.

POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION & OTHER DETAILS

In pursuit of building a capable and visionary leadership team, the Company has laid down a comprehensive Nomination and Remuneration Policy for the selection, compensation and, governance of its Directors, Key Managerial Personnel ("KMP"), and Senior Managerial Personnel("SMP"). This Policy emphasizes ethical conduct, professional merit, and organizational fit, ensuring that individuals appointed to critical roles bring value through their competence and insight. The policy also promotes transparency in the nomination process, reinforcing the Company's commitment to responsible leadership.

The Policy has been formulated in accordance with the Section 178 of the Act, provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 and Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs issued by RBI vide circular dated RBI/2022-23/36 DOR.GOV.REC. No.29/18.10.002/2022-23 on April 29, 2022 ("RBI Guidelines"), as amended from time to time.

The Policy is available on the website of the Company and can be accessed at https://www.aavas.in/codes-and-policies and all the details of remuneration paid to the Directors is mentioned in Annual Return in form MGT-7, available on Company's website and can be accessed at https://www.aavas.in/investor-relations/annual-reports.

BOARD COMMITTEES

In accordance with statutory requirements, the Company has following 9 (Nine) Board level Committees, these Committees have been constituted to ensure effective oversight, strategic decision-making, and regulatory compliance, in alignment with the provisions of applicable laws and statutes:

Sr. No.	Committee Name	Brief Purpose
1	Audit Committee ("AC")	Oversees the Company's financial reporting and internal controls.
2	Nomination & Remuneration Committee ("NRC")	Responsible for identifying and nominating new Board members, KMPs & SMPs and overseeing the Board's governance practices.
3	Stakeholders Relationship Committee ("SRC")	Ensuring good corporate governance and maintaining a positive relationship with stakeholders.
4	Corporate Social Responsibility & Environment Social Governance Committee ("CSR & ESG")	Integrate economic and social objectives, contributing to sustainable growth and a positive social impact and ESG Compliance includes sustainable development & long-term value creation.
5	Risk Management Committee ("RMC")	Assesses and manages Company's risks.
6	Asset Liability Management Committee ("ALCO")	To oversee the management of assets and liabilities to achieve profitability and financial stability.
7	Information Technology ("IT") Strategy Committee	To ensure that IT investments and projects support the organization's objectives, considering both risks and resources and oversees digital transformation and IT strategies.
8	Customer Service & Grievance Redressal Committee ("CS&GR")	Handles customer grievances and service improvements.
9	Executive Committee ("EC")	Responsible for taking decision related to borrowing, Investments, operational & strategic decisions.

During the Financial Year under review, the Board accepted all recommendations made by the above Committees.

The details with respect to the composition, terms of reference, number of Meetings held, Committees as on March 31, 2025 are given in the Report on Corporate Governance, which forms part of this Annual Report as '**Annexure-2**'.

EMPLOYEE STOCK OPTION PLAN

Employee Stock Option Plan serve as a strategic instrument to attract, retain and reward talented employees. Beyond fostering motivation and encouraging long-term commitment, It align employees interest with the Company's objectives, thereby enhancing a sense of belonging and driving sustained organizational success.

EQUITY STOCK OPTION PLAN (ESOP) 2016-I (e)

During the Financial Year under review, the Company made grant aggregating to 89,500 options on October 15, 2024 under ESOP-2016-I (e).

PERFORMANCE STOCK OPTION PLAN ("PSOP-2023")

During the Financial Year under review, the Company made grant aggregating to 1,22,139 options on October 15, 2024, 5,256 options on October 18, 2024 and 23,904 options on December 12, 2024 under the PSOP-2023.

PERFORMANCE STOCK OPTION PLAN ("PSOP-2024")

The Company believes that equity-based compensation schemes/plans are an effective tool to reward the talent working with the Company for delivering long-term sustainable performance and creation of stakeholder value. With a view to drive long term performance, retain talent and attract new talent, the Company formulated and implemented 'Aavas Financiers Limited - Performance Stock Option Plan- 2024' ("PSOP-2024") as a key component in its reward structure to the eligible employees of the Company. The PSOP-2024 was approved by the Shareholders in Annual General Meeting held on August 07, 2024.

During the Financial Year under review, the Company made grant aggregating to 4,00,000 options on January 30, 2025 under the PSOP 2024.

Following are the existing ESOP and PSOP plans of the Company:

Sr. No.	Particulars	ESOP 2016-I	ESOP-2019	ESOP-2020	ESOP-2021	ESOP-2022	PSOP-2023	PSOP-2024
1.	Date of Shareholders' approval	The Plan was approved by the Shareholders of the Company by a Special Resolution passed on February 23, 2017.	The Plan was approved by the Shareholders of the Company by a Special Resolution passed on August 01, 2019.	The Plan was approved by the Shareholders of the Company by a Special Resolution passed on July 22, 2020.	The Plan was approved by the Shareholders of the Company by a Special Resolution passed on August 10, 2021.	The Plan was approved by the Shareholders of the Company by a Special Resolution passed on July 21, 2022.	The plan was approved by the Shareholders of the Company by a Special Resolution passed on November 06, 2023.	The plan was approved by the Shareholders of the Company by a Special Resolution passed on August 07, 2024.
2	Authorization	The Schemes empowers the Board and Nomination & Remuneration Committee to execute the Scheme.						
3	Variation (if any)	During the Financial Year under review, there have been no changes in the Schemes.						

It is confirmed that all the ESOP & PSOP Schemes of the Company are in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations") as amended from time to time.

The Nomination & Remuneration Committee administers and monitors the ESOP & PSOP Schemes in compliance with the Act, SEBI SBEB and Sweat Equity Regulations, 2021 and SEBI (LODR) Regulations, 2015.

The Secretarial Auditors of the Company has given a Certificate, confirming that the above ESOP & PSOP Schemes have been implemented in accordance with the SEBI SBEB and Sweat Equity Regulations, 2021 as amended from time to time. Such ESOP & PSOP Schemes will be available for the inspection of the Members of the Company.

The applicable disclosures as stipulated under Regulation 14 of SEBI SBEB and Sweat Equity Regulations, 2021, with regard to ESOP & PSOP Plan of the Company are available on the website of the Company at https://www.aavas.in/investor-relations/annual-reports.

AUDIT & AUDITORS

Statutory Auditors and Auditors' Report

In terms of provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and RBI Guidelines for appointment of Statutory Auditor(s), M/s. M S K A & Associates Chartered Accountants (Firm Registration No. 105047W) and M/s. Borkar & Muzumdar, Chartered Accountants (Firm Registration No. 101569W) were appointed as the Joint Statutory Auditors of the Company by the members of the Company for a period of 3 (Three) consecutive

years in the 14th AGM held on August 07, 2024 effective from the conclusion of 14th AGM until the conclusion of 17th AGM.

The Audit Report given by the Joint Statutory Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Audit Committee and the Board of Directors also took note of the eligibility certificate received from both the audit firms that they are not disqualified and are eligible to hold the office as Auditors of the Company. Further, during the year under review, the Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013.

Secretarial Auditors and Secretarial Audit Report

M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No. P1988DE002500), have carried out Secretarial Audit of the Company for the Financial Year 2024-25 in accordance with the provisions of Section 204 of the Act read with the rules made thereunder.

In accordance with provisions of Sub-section (1) of Section 204 of the Act, the Secretarial Audit Report in form MR-3, is furnished as '**Annexure-3**', which forms part of this Annual Report.

The Report of Secretarial Auditors is self-explanatory and there has been no observations or qualifications or adverse remarks in their Report.

Furthermore, M/s. Chandrasekaran Associates, Company Secretaries has issued an Annual Secretarial Compliance Report for the Financial Year 2024-2025 in compliance with Regulation 24A of SEBI (LODR) Regulation, 2015 which forms part of this report as '**Annexure-4**' and is also submitted to the Stock Exchanges. There are no observations, or qualifications or adverse remarks in their Report.

Pursuant to the amendments made in SEBI Regulations i.e., SEBI (Listing Obligations & Disclosure Requirements) (Third Amendment) Regulations, 2024 and pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, the Company shall appoint Secretarial Auditor for a term of 5 years (the earlier term served shall not be considered for this term) with recommendation of Board and Shareholders approval in its Annual General Meeting.

Consequently, in accordance with, Section 204 of the Act, the Board of Directors, has recommended the appointment of M/s. Chandrasekaran Associates, (Firm Registration No. P1988DE002500) Company Secretaries as Secretarial Auditors of the Company for a period of 5 (Five) consecutive Years effective from FY 2025-26 upto FY 2029-30, to the Shareholders of the Company for their approval.

The Company has obtained consent and eligibility certificate from the above audit firm under applicable rules and laws that they are not disqualified and are eligible to hold the office as Secretarial Auditors of the Company, if appointed.

INFORMATION SYSTEM AUDIT ("IS AUDIT")

The landscape around information systems has been changing, therefore an IS audit focuses on the governance and management aspects of technology and cybersecurity as much as it does on specific focus areas of the audit.

The Company has in place an IS Audit Policy which is cognizant of business imperatives and is aligned with the aspirations of the organization, including being agile and innovative and adopting technologies at a rapid pace. Our Head of Internal Audit ("HIA") is accountable to the Audit Committee and Management in providing assurance on the adequacy and effectiveness of the Company's risk management, control, and governance of information system processes used for controlling its activities and managing its significant risks and also report material frauds and their investigations and corrective actions.

INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has in place Risk Based Internal Audit Framework ("RBIA") in compliance with directive issued by Reserve Bank of India. The Company has developed an in-house audit team and appointed HIA to oversee the audit of functional areas and operations.

The Internal Audit department is headed by the HIA who reports directly to the Audit Committee of the Board. The primary responsibility of the HIA is to effectively manage the Internal Audit department and to ensure that it adds value to the entity and its strategic objectives by strengthening risk controls, enhancing operational efficiencies, and ensuring governance compliance. The RBIA framework effectively ensures that internal audit coverage is commensurate with the nature of complexity of business operations on an ongoing basis. It encompasses coverage of business and support functions, technology and regulatory aspects as well as branch audits. HIA ensures compliance with the internal audit principles and standards and the independence of the Internal Audit department, its audit staff and evaluating its performance against key performance indicators.

The Audit Committee performs periodic reviews and evaluates adequacy and effectiveness of the Company's internal control environment, ensuring the timely implementation of audit recommendations to enhance operational integrity and regulatory compliance.

The Company's internal financial control is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. The Company's internal financial control framework includes those policies and procedures aimed at:

- Ensuring the maintenance of accurate financial records;
- Providing reasonable assurance that financial transactions are recorded appropriately for the preparation of financial statements;
- Establishing mechanisms for the timely prevention and detection of unauthorized acquisition, use or disposal of Company assets that may have a material impact on financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

There were no significant or material orders passed by the regulators or courts or tribunals against the Company during the Financial Year 2024-2025.

MATERIAL CHANGES/EVENTS AND COMMITMENTS, IF ANY

During the year following material changes/events have occurred:

Material Event: Share Purchase Agreement and Open Offer

During the year under review, your Company entered into separate share sale agreements (collectively, "SPAs") with Aquilo House Pte. Ltd. ("Purchaser") and each of Lake District Holdings Limited, Partners Group ESCL Limited and Partners Group Private Equity (Master Fund), LLC, who were members of the promoter/ promoter group of the Company till June 30, 2025 (collectively, "Sellers"). Pursuant to the SPAs, the Purchaser agreed to acquire in aggregate 2,09,49,112 equity shares of the Company from the Sellers constituting 26.47% of the paid-up share capital of the Company and control of the Company subject to the terms and conditions set out in the SPAs.

The Purchaser is a Company incorporated under the laws of Singapore and belonging to the CVC Network. The CVC Network is a global alternative investment manager focused on private equity, credit, secondaries and infrastructure, consisting of CVC Capital Partners PLC (a public limited Company whose shares are listed and admitted to trading on the Euronext Amsterdam Stock Exchange) and each of its subsidiaries, from time to time. The execution of the SPAs triggered an obligation of the Purchaser to make an open offer to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Purchaser acquired 1,78,08,116 equity shares of the Company aggregating to 22.50% of paid-up share capital of the Company pursuant to the open offer from the public shareholders.

In accordance with the terms of the SPAs, on June 30, 2025 (the "Closing Date"), Purchaser has acquired 2,09,49,112 equity shares constituting 26.47% of the paid-up share capital of the Company and on and from the Closing Date (i) Purchaser has acquired control of the Company and is categorized as a 'promoter' of the Company; and (ii) the erstwhile promoters and members of the promoter group of the Company hold NIL shares of the Company and have ceased to be in control of the Company, and stand reclassified as public shareholders of the Company with effect from June 30, 2025.

Currently, Purchaser holds 3,87,57,228 equity shares of the company, representing 48.96 % of the paid-up share capital of the Company.

Further, there are no material changes and commitments affecting the financial positions of the Company, which have occurred after March 31,2025, till the date of this report.

MAINTENANCE OF COST RECORDS

The Company being an NBFC-HFC is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act 2013.

INFORMATION TECHNOLOGY

Your Company has always been at the forefront of technology innovations and effectively leveraging technology to enhance efficiency of the teams, managing risks, optimizing cost and provide superior experience to our customers.

The Company is working towards building a robust and scalable technology architecture in line with the charted transformation roadmap to make the Company future ready. Your Company has made a significant progress on this roadmap by successfully completing transformation of all key business applications.

The Company has already adopted a modern and innovative cloud-native application stack for loan origination and customer service using Salesforce and Mulesoft platforms which provide 360-degree visibility for the entire customer life cycle.

The Company has adopted ORACLE Fusion ERP System for accounting and financial reporting.

During Financial Year, the Company has successfully completed the migration of Loan Management System to ORACLE Flexcube Core Banking Application and also automated the Treasury Operations using Beacon Treasury Management System.

By utilising multiple India stack based fintech integrations and advance analytics capabilities, we have significantly optimised our processes to bring in efficiency and agility at all levels. The Company has created a technology stack to integrate with digital platforms and our digital partnerships with Central Govt's

Common Service Centres (CSC), Rajasthan Govt's eMitra Kiosks and India Post Payment Bank are testament to the Company's commitment to become a partner in the last mile financial inclusion mission. The Company is actively looking forward to build and scale such partnerships in future.

The Company has upgraded the information security systems with modern and robust security solutions in all major domains including – data centre, endpoints, applications, network, etc. The Company performs continuous training / awareness programs for our teams and customers on emerging cyber threats and defence strategies. The Company performs periodic assessments of security, process controls and business continuity readiness through various layers of internal teams, service providers and auditors.

HUMAN RESOURCE – A CULTURE OF COMMITMENT, CONSISTENCY AND COMPASSION

Your Company has always been committed to nurturing a supportive, inclusive and dynamic workplace where each team member feels valued and motivated. Our comprehensive HR initiatives are designed to enhance employee well-being, cultivate professional growth, and build a strong sense of community. By investing in our people, we not only drive individual success and well-being, but also propel our organisation towards greater achievements. Its vision of being a leader and a role model in a broad based and integrated financial services business and a culture that is purpose driven gives meaning to our people. As we reflect on the past Financial Year, 2025, it is evident that our success is intrinsically linked to the quality and competence of our human capital.

Your Company has continued to built upon the strong foundation established in previous years by implementing strategic initiatives designed to enhance the well-being, foster career growth and advance professional development of our employees. Among these initiatives, we have placed a particular emphasis on promoting the holistic well-being of our female staff and strengthening the leadership capabilities of our senior management team.

Recognizing the importance of a performance-driven culture, the Company introduced a performance-based equity scheme to instill a sense of ownership and accountability while incentivizing excellence. This initiative reflects our dedication to align individual contributions with organizational success, ensuring that employees are rewarded for their commitment and achievements.

Furthermore, we continue to invest in leadership development programs, mentorship opportunities, and skill enhancement initiatives to empower our workforce and equip them with the tools necessary to excel in an evolving business landscape.

As of March 31, 2025, our permanent employees count stood at 7,233, reflecting our growth and unwavering commitment to fostering a conducive and performance-driven organizational environment. In the future, your Company is committed to foster an improved workplace that nurtures professional development and operational excellence. Together, we will persist in our pursuit of excellence, promote sustainable growth and create lasting value for all our stakeholders.

RISK MANAGEMENT FRAMEWORK

Effective risk management is a crucial aspect of the Company's operations due to the inherent nature of its business. Acknowledging this, a series of internal policies have been established to strengthen the resilience of business operations.

Your Company priorities risk management by establishing a specialized sub-committee of executives, along with the Risk Management Committee of the Board, to supervise the process. This not only adheres to Regulation 21 of the SEBI (LODR) Regulations, 2015, but also guarantees conformity with RBI guidelines. The establishment of such a committee fosters a strong risk culture and governance framework within the organization, thereby enhancing its overall sustainability and success.

The Risk Management Committee convenes at least biannually, and additionally as required by the Board or Chairperson, to maintain continuous oversight of the Company's risk environment. By implementing suitable methodologies, processes and systems, the Committee is instrumental in monitoring and assessing the risks related to the business. Furthermore, the supervision of the Risk Management Policy's execution and the evaluation of the adequacy of risk management systems demonstrate a proactive stance towards risk management within the Company.

The Company has established comprehensive Risk Management Policies, which include Risk Management Policy, an IT Risk Management Policy, and an Internal Capital Adequacy Assessment Processes ("ICAAP") policy, along with an Early Warning Signal ("EWS") framework that adheres to RBI guidelines.

Identifying and monitoring significant risks such as Credit Risk, ALM Risk, Concentration Risk, Interest Rate Risk, Reputation Risk, Cybersecurity Risk, Fraud Risk, Business Risk, Exposure Risk, Competition Risk and Regulatory Risk are essential for preserving the Company's stability and resilience. These risks are reported to the Risk Management Committee quarterly, ensuring transparency and proactive risk management.

Additionally, the application of institutional intelligence in underwriting methodology, carried out by a skilled and experienced team, including Chartered Accountants, signifies a strong approach to risk assessment within the Company.

Moreover, the presence of dedicated vendors and professionally qualified in-house teams to manage legal, technical and operational risks further strengthens the Company's risk management capabilities.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In any organization, a secure and confidential channel for reporting concerns related to ethical conduct is essential for maintaining accountability and integrity. Such a mechanism empowers individuals to raise issues without fear, fostering a culture of transparency and trust within the organization. Accordingly, your Company has in place a Whistle Blower Policy encompassing vigil mechanism pursuant to the requirements of Section 177(9) and (10) of the Act and Regulation 22 of the SEBI (LODR) Regulations, 2015, to report to the management genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

With the core aim to achieve the highest standards of ethical, moral and legal conduct of business operations and to nurture these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment.

The mechanism provides a secure channel to the employees and Directors for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases, ensuring transparency and accountability in addressing whistleblower concerns. There are no restrictions for accessing the Audit Committee for any of the Company's employees.

In order to safeguard the fairness of the process, the identity of the Whistle Blower is kept confidential to prevent any discriminatory actions against him/her.

The whistle blower policy is placed on the website of the Company and can be accessed at https://www.aavas.in/codes-and-policies.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed to foster a safe, respectful and inclusive workplace where every individual is empowered to work without fear, bias or harassment including sexual harassment. Primarily, we ensure a safe and equitable working environment for women and aim to ensure that every employee is treated with dignity and respect as sexual harassment at workplace is an extension of violence in everyday life and it is both discriminatory and exploitative, adversely impacting a women's right to life and livelihood.

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act") and the rules made thereunder, the Company has formulated and implemented a Policy for prevention of sexual harassment against women and redressal of complaints thereto and has also constituted Internal Complaints Committee ("ICC") under the POSH Act.

ICC has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The details of complaints received and disposed during the Financial Year are provided in Corporate Governance Report forming part of this Annual report.

MATERNITY BENEFITS PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT, 1961

The Company places strong emphasis on creating a supportive, inclusive and equitable workplace for its women employees. As part of this commitment, the Company have been in compliance with the all applicable provisions of Maternity Benefit Act, 1961, during the financial year under review.

Accordingly, the Company has in place a well-defined Leave Policy, which explicitly outlines the provisions related to maternity leave and associated benefits. All eligible women have been extended the statutory benefits prescribed under the Act, including paid maternity leaves, continuity of salary and service during the leave period, and post maternity support.

Recognizing the importance of employee welfare, the Company remains dedicated to ensuring a safe and empowering work environment for its women employees in accordance with the applicable laws.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN COMPANY'S SECURITIES

The Company has, formulated and adopted code of conduct for prevention of Insider Trading in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations").

The Code of Conduct for Prevention of Insider Trading was formulated to regulate, monitor and ensure reporting of trading by Designated Persons and their immediate relatives designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons from trading in the Company's Securities while in possession of Unpublished Price Sensitive Information ("UPSI"). The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of

the Company and cautions them against the consequences of violations.

In order to protect the interest of the stakeholders at large, Mr. Saurabh Sharma, Company Secretary and Compliance Officer of the Company, is authorized to act as Compliance Officer under the Code, with the responsibility to oversee adherence to Insider Trading Regulations and related governance principles.

Furthermore, in accordance with regulations 3 (5) and (6) of SEBI (PIT) Regulation 2015, the Company has maintained a Structural Digital Database ("SDD"), wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database. It ensures proper record-keeping and monitoring of access to UPSI. This database serves as an essential tool for regulatory compliance, preventing unauthorized dissemination and ensuring transparency in the management of sensitive financial information.

The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the PIT Regulations.

PARTICULARS OF HOLDING/JOINT VENTURE/ SUBSIDIARY/ASSOCIATE COMPANIES

Pursuant to the share sale agreements with Aquilo House Pte. Ltd. ("Purchaser") and each of, Lake District Holdings Limited, Partners Group ESCL Limited and Partners Group Private Equity (Master Fund), LLC, who were members of the promoter/ promoter group of the Company till June 30, 2025 and pursuant to power conferred to purchaser in terms of Article 16 of the Article of Association of the Company, the Aquilo House Pte. Ltd has become the Holding Company in terms of Section 2(87)(i) of the Companies Act,2013 i.e. by controlling the composition of the Board of Directors w.e.f. June 30, 2025.

Further, your Company does not have any Joint Ventures or Associate Company as on the date of this report.

Subsidiary Company: Completion of Voluntary Liquidation

Your Company had an unlisted wholly owned subsidiary named 'Aavas Finserv Limited' which has been voluntarily dissolved following the order passed by the Hon'ble National Company Law Tribunal ("NCLT") on January 28, 2025.

Therefore, your Company is no longer required to prepare Consolidated Financial Statements and Statement containing salient features of Financial Statement of the Subsidiary pursuant to the Provisions of Section 129(3) of the Act.

Further, pursuant to Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, a statement containing salient features of Financial Statement of the Subsidiary or Associate Companies or Joint Ventures in the prescribed format AOC-1, is furnished as '**Annexure-6**', which forms part of this Annual Report.

In accordance with Section 136 (1) of the Act, the Annual Report of your Company containing inter alia, Financial Statements has been placed on our website at https://www.aavas.in/investor-relations/annual-reports.

INVESTOR RELATIONS

Fostering trust through open and timely communication is fundamental in building strong and enduring relationships with the investment community. The Company remains committed to keep stakeholders well informed about its financial health, strategic initiatives and long-term objectives through consistent and transparent engagement. It is using technology wisely to sustain performance today and also leverages it for future growth. Your Company is always looking ahead and takes on a holistic perspective of the operating landscape.

To strengthen engagement and trust, the Company has established a specialized investor relation team, which helps the Company to communicate with its investors through Information session on Financial Results for institutional investors and analysts via telephone conference, meetings with investors/analysts and discussions between Fund Managers and Management.

Investor relation team participate in investor relations conferences each quarter to foster better relationships with investors. Presentations given by Company to fund managers, analysts, and investors are posted on the Company website and are also transmitted to stock exchanges. Each quarter, the audio recordings of these meetings, along with their transcripts, are posted on the website at https://www.aavas.in/investor-relations/investor-intimation.

PARTICULAR OF EMPLOYEE REMUNERATION AND RELATED DISCLOSURES

In compliance with Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures regarding the remuneration of Directors and employees have been made. Additionally, as stipulated by Rule 5(2) of the aforementioned rules, the names and other details of the top ten employees in terms of remuneration have been included as **'Annexure-8'** to this Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company, being a responsible corporate citizen, is dedicated to enhancing societal welfare by incorporating social

and environmental considerations into its business practices, engaging in philanthropic efforts, and delivering positive social value and wealth to its stakeholders. In line with the Company's Corporate Social Responsibility ("CSR") initiatives, it has launched various projects focused on Education and Holistic Development, Environmental Sustainability, Healthcare and Wellness, Community and Rural Development, Women's Empowerment, and Strategies for Reducing Inequalities, all aimed at improving the quality of life in diverse communities, particularly among marginalized groups.

The CSR policy of the Company relates to the activities to be undertaken by the Company, which is in accordance with the provisions of CSR under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act.

The CSR Policy is hosted on Company's website and can be accessed at: https://www.aavas.in/codes-and-policies and the Annual Report on CSR activities is furnished as **'Annexure-9'** which forms part of this Annual Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of energy conservation, technology absorption and foreign exchange earnings and outgo is provided as under:

Particular	Remarks
A) Conservation of energy	
The Steps taken / impact on conservation of energy	The Company has adopted various initiatives to enhance energy efficiency and sustainability. These measures include outfitting all branches with energy-efficient IT equipment, power-saving lighting, and multi-function copiers. Furthermore, the Company is committed to reduce its greenhouse gas ("GHG") emissions by setting specific emission reduction goals. The Company's Head Office has been awarded the prestigious LEED Gold certification, highlighting its dedication to eco-friendly practices. While the Company's operations have a minimal environmental footprint at the corporate level, it is focused on advancing technological capabilities and optimizing resource use. A significant initiative in this regard is the "Go Green Project" which seeks to eliminate physical documentation until a loan is fully processed in the system.
The Steps taken by the Company for utilizing alternate sources of energy	As the nature of business of the Company is providing housing finance, the only key waste products are paper, plastic and e-waste. Initiatives to reduce paper, plastic, and e-waste include: • The Company has taken specific targets in order to reduce the waste and has educated employees through internal communication to reduce usage of single-use plastics. • The Company has launched the "Go Green Initiative" to minimize paper usage in loan processing through advanced technology. • The Company has started monitoring its operations with a focus on waste management, particularly in the areas of paper, plastic, and e-waste. • The Company has recycled e-waste through certified e-waste handler. **Green Housing Program:** • In partnership with the International Finance Corporation (IFC), a member of the World Bank Group the Company has developed the Green Homes initiative. • The Company provides loans for financing of Self-Built Green homes which are 20% more efficient than conventional homes in terms of construction features, water consumption, and energy consumption. The Company has financed 348 self-built green homes under its Green Housing Program.
The Capital investment on energy conservation equipment	In view of the nature of the activities carried on by your Company, there is no capital investment on energy conservation equipment.
B) Technology absorption	
The efforts made towards technology absorption	Financial Year 2024-25 has been a landmark year for the Company in the journey of technology and digital transformations. We have successfully transitioned our business applications to highly scalable and best in class technology platforms. The new loan management system went live in August 2024 and has been fully stabilized during this year. We have augmented the digital customer service channels with extensive features and capabilities. The Company has adopted best-in-class Information Security Solutions, and all critical systems are under 24/7 monitoring. The BitSight has upgraded our Cyber Security rating to 'Advanced Level'.

Particular	Remarks
The benefits derived like product improvement, cost reduction, product development or import substitution	Maintained almost 100% uptime for all critical systems. Customer loan App adoption has increased to 74%. 73% of customer service requests are served through digital channels with a significant part of them being self-serviced. Omnichannel Experience to customers and to customer service team by integrating all physical and digital channels – Branch, Call Center, Customer App, Website, ChatBot, IVR, Email, etc. "Customer 360-degree View" giving complete visibility of customer insights to service team on a single click for customer profile, loan details, delinquency & overdue status, service history, communication history, etc. 53% Account Aggregator adoption on files sanctioned during the year. Almost 100% of the property locations are geo-tagged. Further, 100% of the Technical, Legal and Risk Assessment Processes have been digitized including the vendors. Almost 100% of vendor payments are now being processed digitally through our Oracle ERP module, and all transactions are now being automatically reconciled through the ORACLE ARCS system. Fully Integrated Enterprise Architecture with 350 + APIs live connecting internal systems and external partners for Origination, Loan Processing and Life Cycle Processes. Significantly reduced paper consumption from the loan process through digital processes.
In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) a). the details of technology imported	i. Salesforce (for LOS and CRM) ii. Oracle Fusion system (for Financial System and reporting) iii. ORACLE Flexcube (for LMS) iv. Mulesoft (for Integration of systems)
b). the year of import	2022-23
c). whether the technology has been fully absorbed	Implemented
d). if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
The expenditure incurred on Research and Development	NA
(C) Foreign exchange earnings and Outgo	During the Financial Year under review, your Company had no foreign exchange earnings and the aggregate of the foreign exchange outgo during the Financial Year under review was ₹ 4,636.91 Lakhs. The aforesaid details are shown in the Note No. 39 of notes to the accounts, forming part of the Financial Statements. The members are requested to refer to this Note.

ENVIRONMENT HEALTH AND SAFETY ("EHS") PROTECTION

The Company is committed to maintain high environmental and social standards across its operations. It continues to enhance its investment decision-making processes and procedures to align with applicable Indian environmental and social legislation, as well as relevant international standards, including the IFC Performance Standards, particularly in relation to its housing finance and MSME Business segments.

The Company ensures a healthy and safe working environment for all its employees, adhering to best practices in workplace safety and employee well-being. In line with its commitment to continuous improvement, the Company regularly evaluates and upgrades its EHS practices to proactively address emerging risks, ensure compliance, and foster a culture of safety and sustainability across all levels.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

In accordance with Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, the top 1,000 listed companies based on market capitalization are required to include a Business Responsibility and Sustainability Report (BRSR) in their Annual Reports. This report outlines the Company's initiatives from an Environmental, Social and Governance ("ESG") perspective.

Following SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, the top 250 listed entities are required to disclose ESG information under the BRSR Core framework as part of their Annual Reports.

As one of the top 500 listed entities, and in alignment with its commitment to strong corporate governance, the Company has voluntarily adopted and submitted the BRSR Core Framework

for the Financial Year 2024-25, in addition to publishing the standard Annual BRSR as per regulatory guidelines. This framework helps reinforce ESG principles throughout the Company's operations, guiding efforts towards responsible product development, operational efficiency, employee empowerment, and environmental stewardship in line with the expectations outlined in the BRSR.

The Company remains focused on strengthening its ESG performance year over year, continually enhancing its disclosures, systems, and practices to create meaningful impact and align with evolving stakeholder expectations.

The Business Responsibility and Sustainability Report in updated format describing the initiatives taken by the Company from an environmental, social and governance perspective along with Limited Assurance Statement from an Independent Auditor forms part of this Annual Report as **'Annexure-11'**.

ANNUAL RETURN

The Annual Return has been prepared in form MGT-7 as on March 31, 2025 in compliance with the provisions of Section 134(3) and Section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014. The same is placed on the website of the Company and can be accessed at https://www.aavas.in/investor-relations/annual-reports.

ADDITIONAL DISCLOSURES UNDER COMPANIES (ACCOUNTS) RULES, 2014

(a) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year:

The Company has not filled any application under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year under review. Hence there are no proceedings pending with respect to the above. Therefore, it is not applicable to the Company.

(b) The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereto:

During the Financial Year under review, the Company has not made any settlement with its Bankers or Financial Institutions from which it has availed any term loan.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is an HFC, it is exempted from disclosing information regarding particulars of loans extended, guarantees given, and security provided in the ordinary course of business under the provisions of Section 186(11) of the Act.

Nevertheless, the notes to the Financial Statements of the Company state the details of loans, guarantees, and investments made as required under the provisions of Section 186 of the Act and the rules made thereunder.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has an explicit "Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions" to ensure that all related party transactions are on an arm's length basis and in the ordinary course of business in adherence of the provisions of Section 188 of the Act and rules made thereunder and the SEBI (LODR) Regulations, 2015. Accordingly, all related party transactions entered during Financial Year 2024-25 were on an arm's length basis and in the ordinary course of business under the Act and were not material under the SEBI (LODR) Regulations, 2015.

All related party transactions entered into during the Financial Year, were presented to both the Audit Committee and the Board. The Audit Committee has granted omnibus approval for related party transactions as per the provisions of the Act and the SEBI (LODR) Regulations, 2015. Further, in compliance with the Section 134(3)(h) of the Act, a thorough disclosure has been made in Form AOC-2 as **'Annexure-7'** which forms part of this Annual Report.

Additionally, in compliance with the SEBI and RBI Master Directions, the 'Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions' is given in **'Annexure-10'** which forms part of this Annual Report and is available for viewing on the Company's website at https://www.aavas.in/codes-and-policies.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

Corporate Governance forms the cornerstone of responsible and ethical business conduct, ensuring transparency, accountability and long term value creation for all the stakeholders of the Company. Your Company has been committed to uphold the greatest standards of corporate governance by adhering to its fundamental values, which include putting the needs of the customer first, being transparent, acting fairly, being accountable, and acting with integrity and equity in all of its dealings.

The Company's Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information to its stakeholders so as to make an informed decision.

The Company has approved and adopted the Internal Guidelines on Corporate Governance. The Internal Guidelines on Corporate Governance has been framed in accordance with the Act, SEBI (LODR) Regulations, 2015, RBI Master Directions, 2021 and other applicable rules and regulations.

The Internal Guidelines on Corporate Governance of the Company is available on the website of the Company and can be accessed at https://www.aavas.in/codes-and-policies.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(3)(c) and 134(5), of the Act and based on the information provided by the Management, the Board of Directors hereby gives the following statement:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the 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;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS OVERVIEW & FUTURE OUTLOOK

A comprehensive evaluation of the business and its future prospects is included in the Management Discussion and Analysis section of the Annual Report.

ACKNOWLEDGEMENTS AND APPRECIATION

Behind every milestone achieved lies the collective effort of many, as we reflect on the past years, the Board of Directors is proud to recognize collective efforts of all stakeholders of the Company, that have enabled the Company to move forward with purpose and resilience.

We extend our heartfelt appreciation for all the support and trust received from the Stakeholders of the Company, including the Reserve Bank of India, National Housing Bank, Ministry of Corporate Affairs, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Stock Exchanges i.e. BSE and NSE, and other regulatory authorities.

The Board also acknowledges the support and cooperation from Bankers, Lenders, Financial Institutions, Members, Credit Rating Agencies, National Securities Depository Limited, Central Depository Services (India) Limited, National Stock Exchange International Financial Service Centre Limited, and Customers of the Company for their continued trust and support.

The Directors wish to express their deep appreciation to Kedaara Capital and Partners Group for their invaluable support which proved instrumental in driving the Company's growth and success. Further, the Board is also thankful to the resigning directors for their enduring commitment and meaningful Contributions.

We also take this opportunity to warmly welcome our new Promoter, Aquilo House Pte. Ltd., belonging to CVC network, whose induction marks a significant milestone in the Company's growth journey. We look forward to a strong and fruitful partnership, leveraging their expertise and vision to drive sustained progress and long-term value creation.

Additionally, the Board records its sincere appreciation for the commitment demonstrated by all executives, officers, staff, and the Senior Management team of the Company, for contributing to the excellent performance of the Company during the Financial Year.

The Board wishes to express its gratitude to all the Shareholders for their invaluable support.

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nikhil Omprakash Gahrotra
Additional Non-Executive Director
(DIN: 01277756)

Date: August 12, 2025
Place:Mumbai

Registered and Corporate Office:
201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India
CIN: L65922RJ2011PLC034297
E-mail: investorrelations@aavas.in | Website: www.aavas.in

Annexure-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Aavas Financiers Limited
CIN: L65922RJ2011PLC034297
201-202, 2nd Floor, South End Square Mansarover Industrial Area
Jaipur – 302020 Rajasthan

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aavas Financiers Limited**, having CIN: L65922RJ2011PLC034297 and having Registered office at 201-202, 2nd Floor, Southend Square Mansarover Industrial Area, Jaipur – 302020 Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and based on declarations received from respective Directors, we hereby certify that as on Financial Year ended on March 31, 2025 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of the Director	DIN	Date of appointment in Company
1	Mr. Sandeep Tandon	00054553	27/07/2017
2	Mrs. Kalpana Kaushik Mazumdar	01874130	23/06/2016
3	Mrs. Soumya Rajan	03579199	29/08/2019
4	Mr. Sachinderpalsingh Jitendrasingh Bhinder	08697657	03/05/2023
5	Mr. Ramchandra Kasargod Kamath	01715073	14/07/2016
6	Mr. Vivek Vig	01117418	14/07/2016
7	Mr. Nishant Sharma	03117012	23/06/2016
8	Mr. Manas Tandon	05254602	23/06/2016
9	Mr. Rahul Mehta	09485275	21/05/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: - 5715/2024

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644G000186136

Date: April 24, 2025
Place: Delhi

Annexure-2

CORPORATE GOVERNANCE REPORT

"Empowering Trust, Driving Ethics, Sustaining Growth through Governance"

Aavas Financiers Limited ("Aavas" or "Your Company" or "the Company) defines Corporate Governance as a set of rules, practices and systematic processes that provide highest standards of ethical and responsible conduct of sustainable business covering areas of environmental and social impacts, ethical behaviour, corporate strategies, compensation and risk management to create sustained competitive differentiation in the market to maximize the stakeholder value while ensuring fairness, transparency and accountability to every stakeholder viz. customers, employees, investors, lenders, vendor-partners, the government and community at large.

Governance at Aavas with legacy of more than a decade enhances the confidence, trust and enthusiasm of its stakeholders. Aavas has worked diligently to integrate ethical analysis into defining its corporate culture with an aim to manage the affairs of the Company in a fair, ethical and transparent manner, which goes beyond the practices enshrined in the laws.

Your Company is in compliance with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 (hereinafter "RBI Master Directions") (including erstwhile regulations), the Companies Act, 2013 (hereinafter "the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "SEBI (LODR) Regulations, 2015" and all other applicable rules and regulations.

THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a set of rules, controls and policies put in place to ensure greater accuracy and transparency in management and control, ultimately building trust in the Company's ability to maximize value for all stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholders value and discharge its social responsibility.

In the age of rapid evolution, where environmental and regulatory compliances are escalating, Corporate Governance has become more pervasive. Corporate Governance is viewed as both the structure and the relationship which determines corporate direction and performance.

The Company strongly believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company in a transparent manner and also helps in maximising value for all the stakeholders. Good Corporate Governance practices help in building an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its vision.

The Company is committed to focusing on long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions. The Company has established systems, procedures and policies to ensure that its stakeholders are well informed and well equipped to discharge their overall responsibilities and provide the strategic direction catering to exigency of long-term stakeholders value.

Further, the Company's approach to governance includes key focus areas such as:

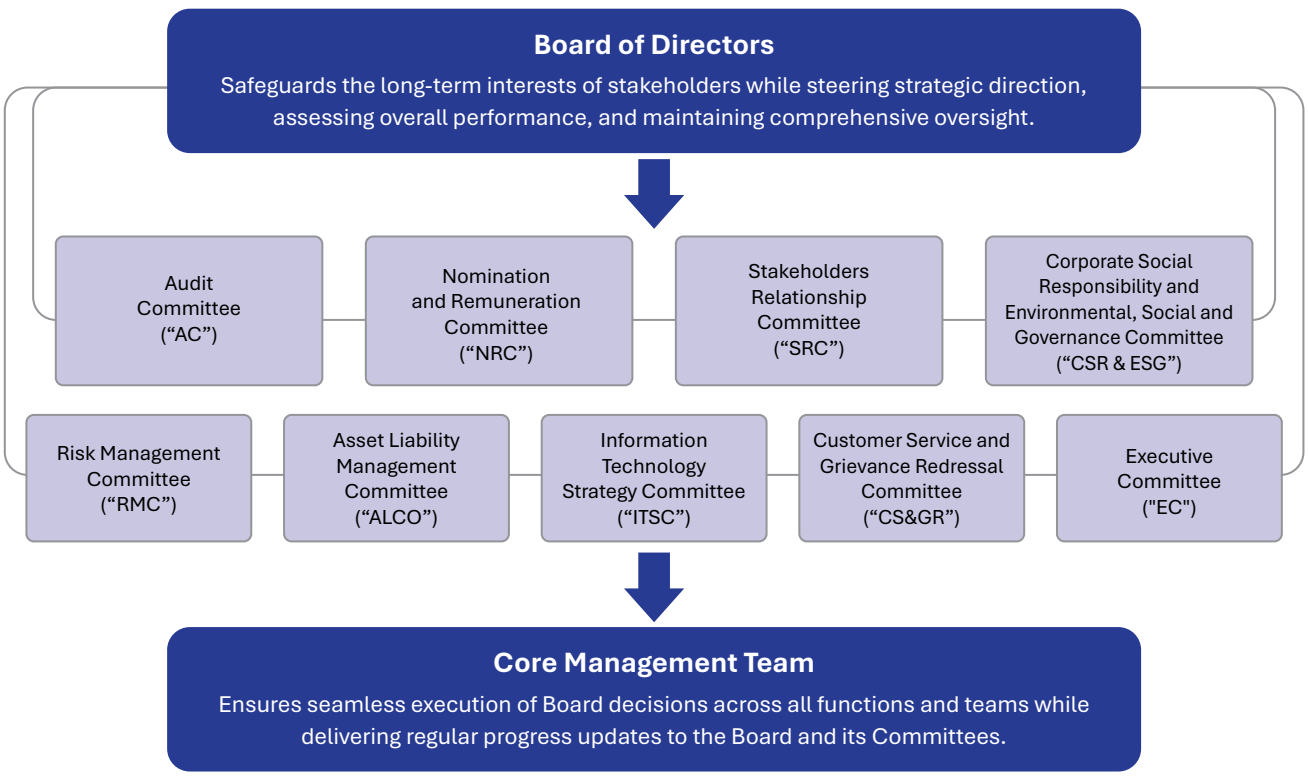
- Constituting a qualified and diverse Board of Directors with deep domain expertise and strategic acumen;
- Maintaining alignment between business strategy and governance objectives;
- Ensuring clarity in role definitions, responsibilities, and performance metrics;
- Upholding the highest standards of ethics, compliance, and conduct;
- Mitigating risks through strong internal controls and enterprise risk management frameworks.

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

Corporate Governance has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. Corporate Governance shows a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholder's aspirations and societal expectations. Good governance practices generate from the dynamic culture and positive mindset of the organization. This is described in Shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

Clear delineation of roles and responsibilities, fosters accountability, streamlines operation and ensures effective communication and decision-making within an organization. The Company duly acknowledges its fiduciary role and responsibility towards all of its stakeholders including Shareholders that strives hard to meet their expectations.

GOVERNANCE STRUCTURE



ETHICS/GOVERNANCE POLICIES

The Company has set high standards of ethical and responsible conduct of business to create value for all its stakeholders. For effective implementation of the Corporate Governance practices, the Company has well-defined policies inter-alia, consisting the following:

a) Code of Conduct for Board Members and the Senior Management Personnel

b) Code for Prevention of Insider Trading in Company's Securities

c) Whistle Blower Policy

d) Corporate Social Responsibility Policy

e) Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions

f) Policy for Determination and Disclosure of Material Event/ Information

g) Policy for Preservation of Documents

h) Internal Guidelines on Corporate Governance

i) Prevention of Sexual Harassment Policy (Vishakha Policy)

j) Policy on 'Know Your Customer' and 'Anti-Money Laundering Measures"

k) Human Rights Policy

l) Environmental Social and Governance Policy

m) Anti-Bribery Corruption Policy

n) Equal Opportunity Policy

o) Environmental and Social Policy

The Company regularly reviews and reinforces these policies which are crucial for maintaining a strong ethical foundation and fostering trust among stakeholders.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")

In accordance with Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, the top 1,000 listed companies based on market capitalization are required to include a Business Responsibility and Sustainability Report ("BRSR") in their Annual Reports. This BRSR report outlines the Company's initiatives from an Environmental, Social and Governance ("ESG") perspective.

Following SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, the top 250 listed entities are required to disclose ESG information under the BRSR Core Framework as part of their Annual Report.

As one of the top 500 listed entities, and in alignment with its commitment to strong Corporate Governance, the Company has voluntarily adopted the BRSR Core Framework for the Financial Year (FY) 2024-25, in addition to publishing the standard Annual BRSR as per regulatory guidelines. This framework helps to reinforce ESG principles throughout the Company's operations, guiding efforts towards responsible product development, operational efficiency, employee empowerment, and environmental stewardship in line with the expectations outlined in the BRSR.

The Company remains focused on strengthening its ESG performance year over year, continually enhancing its disclosures, systems and practices to create meaningful impact and align with evolving stakeholder expectations.

THE BOARD OF DIRECTORS

The Board of Directors ('Board') and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

Keeping up with the commitment to the principle of integrity and transparency in business operations for good Corporate Governance, the Company's policy is to have an appropriate blend of Independent and Non-Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The responsibilities of the Board primarily include, formulation of overall strategy for the Company, reviewing major plan of actions, setting performance objectives, laying down the code of conduct for all members of the Board and Senior Management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing Corporate Governance practices and ensuring the best interest of the stakeholders, the community and environment.

The Board has constituted several Board sub-committees. The terms of reference of these Committees are governed by the regulations, business exigencies and such other matters warranting special and expert attention.

a) Size and Composition of Board of Directors

The Company's Board is constituted of highly experienced professionals from diverse backgrounds. The Board's constitution is in compliance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, RBI Master Directions and is in accordance with the highest standards of Corporate Governance, which ensures an appropriate mix of Executive, Non-Executive, Woman Director and Independent Director.

Board Composition as on March 31, 2025

77.78% Male 22.22% Female

55.56% Non-Executive Nominee Directors

33.33% Non-Executive Independent Directors

11.11% Executive Director

As on the date of this report, the Board consists of 9 (Nine) Directors of whom 3 (Three) are Independent Directors (including the Chairperson and 2 (Two) Women Independent Directors), 5 (Five) are Non- Executive Nominee Directors and 1 (One) is Executive Director i.e. Managing Director and Chief Executive Officer ("CEO"). The Chairperson of the Company is a Non-Executive Independent Director.

None of the Directors are related to any other Director on the Board and Independent Directors are independent of the Management.

The Company has furnished to National Housing Bank ("NHB") the statement on change of Directors and a certificate from the Managing Director and Chief Executive Officer that fit and proper criteria in selection of the Directors has been followed. The Composition of the Board is in conformity with the Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

The Composition of the Board of the Company as on March 31, 2025 is given below:

Name of Director	Designation and Category	DIN	No. & (%) of Equity shares Held *	No. of other Directorships **	No. of Committees***		Qualification/ Experience
					As Member	As Chairperson	
Mr. Sandeep Tandon	Chairperson Independent Director (Non- Executive)	00054553	-	12	3	1	Bachelor's and Master's in Electrical Engineering (More than 30 Years)
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)	08697657	1,040 (0.00%)	1	1	-	B.E. Chemical and MBA (Marketing & Finance) (More than 27 years)
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	01874130	7,608 (0.01%)	4	1	1	Chartered Accountant (More than 31 Years)
Mrs. Soumya Rajan	Independent Director (Non- Executive)	03579199	-	12	2	1	PG in Mathematics (More than 27 Years)
Mr. Ramachandra Kasargod Kamath#	Nominee Director (Non- Executive)	01715073	1,13,440 (0.14%)	6	3	2	Honorary Fellow of the Indian Institute of Banking and Finance, B.COM. (More than 34 Years)
Mr. Vivek Vig##	Nominee Director (Non- Executive)	01117418	4,00,000 (0.5%)	6	1	-	PG IIM (Bangalore) (More than 34 Years)
Mr. Nishant Sharma#	Promoter Nominee Director (Non- Executive)	03117012	-	7	2	1	Engineer and MBA (More than 20 Years)
Mr. Manas Tandon##	Promoter Nominee Director (Non- Executive)	05254602	-	3	1	-	Engineer and MBA (More than 25 Years)
Mr. Rahul Mehta#	Promoter Nominee Director (Non- Executive)	09485275	-	2	1	-	Chartered Accountant and B.Com (More than 10 Years)

*No Convertible instruments were issued to Non-Executive Directors as on March 31, 2025.

**Number of Other Directorships includes Directorships held in the Company itself, Public Limited Companies, Private Limited Companies, Section 8 Companies, but excludes Foreign Companies.

***For the computation of the Committee Membership and Chairpersonship for a Director, the Audit Committee and the Stakeholders Relationship Committee of Company itself and other Public Limited Companies have been considered.

#Mr. Nishant Sharma, Mr. Ramachandra Kasargod Kamath and Mr. Rahul Mehta are appointed on behalf of Lake District Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF.

##Mr. Manas Tandon and Mr. Vivek Vig are appointed on behalf of Partners Group ESCL Limited and Partners Group Private Equity (Master Fund), LLC.

b) Changes in Composition of Board

During the Financial Year 2024-25 the following changes have been occured in the composition of the Board of Directors:

Name of the Director	Capacity	Nature of Change	Effective Date
Mr. Kartikeya Dhruv Kaji	Promoter Nominee Director (Non-Executive)	Resignation	May 21, 2024
Mr. Rahul Mehta	Promoter Nominee Director (Non-Executive)	Appointment	May 21, 2024

c) Board Diversity

The Company recognizes that a well – balanced and diverse Board is essential for effective governance and informed decision-making. Aavas has constituted a Board that reflects a wide spectrum of skills, experience, expertise and professional backgrounds to meet the strategic and operational needs of a dynamic financial services environment which includes Finance Management, Tax Regulatory Compliances, Business Strategy, Business Development, Resource Mobilization, Credit Control, Economics, Law, Business Management, Risk Management, Human Resources, Project Execution etc.

d) Core Skills/Expertise/Competencies

As required under Schedule V of SEBI (LODR) Regulations, 2015 the Board has identified the following list of core skills/expertise/ competencies required in the context of the Company's business which are available with the Board:

	Matrix setting out the skills/ expertise/competence of the Board	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
	Name of the Director	**Mr. Sandeep Tandon**	**Mr. Sachinderpalsingh Jitendrasingh Bhinder**	**Mrs. Kalpana Kaushik Mazumdar**	**Mrs. Soumya Rajan**	**Mr. Ramachandra Kasargod Kamath**	**Mr. Vivek Vig**	**Mr. Nishant Sharma**	**Mr. Manas Tandon**	**Mr. Rahul Mehta**
	Designation	**Independent Director and Chairperson**	**Managing Director and CEO**	**Independent Director**	**Independent Director**	**Non- Executive Nominee Director**	**Non- Executive Nominee Director**	**Non- Executive Promoter Nominee Director**	**Non- Executive Promoter Nominee Director**	**Non- Executive Promoter Nominee Director**
	Gender (Male/Female)	Male	Male	Female	Female	Male	Male	Male	Male	Male
	Age (in years)	55	52	59	54	69	62	46	47	36
	Resident/Non Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident
1	**Technical Skills**									
	Accounting and Finance	-	√	√	√	√	√	√	√	√
	Asset Liability Management and Risk Management	-	√	√	√	√	√	√	√	√
	Legal and Compliance	-	√	√	√	√	-	-	-	√
	Information Technology and Digital	√	√	-	-	√	√	√	√	√
	Product and Sales Management	√	√	√	-	-	√	-	-	-
	Strategic Development and Execution	√	√	√	√	√	√	√	√	√
2	**Industry Experience**									
	Financial Services sector in India and potentially also Overseas	-	√	√	√	√	√	√	√	√
	Housing Finance sector in India	-	√	-	-	√	√	√	√	√
	Governance: Board Role/CEO/ Senior Management	√	√	√	√	√	√	√	√	√
	Government relations (Policies and Processes)	-	√	-	-	√	√	-	-	-
3	**Personal Attributes**									
	Active Contributor to the Board/ Committees	√	√	√	√	√	√	√	√	√
	Innovative Thinker/Visionary	√	√	√	√	√	√	√	√	√
	Philanthropic	-	√	√	√	-	√	√	-	-
	Mentor	√	√	-	-	√	√	√	√	-

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, relevant experience, expertise, diversity and independence.

e) Directorship of Directors in other Listed entities as on March 31, 2025 are as follows:

Name of Director	DIN	Name of the Listed entity	Category (Executive or Non-Executive)
Mr. Sandeep Tandon	00054553	Syrma SGS Technology Limited	Executive Director & Chairperson
		360 One Wam Limited	Non - Executive Independent Director
Mr. Sachinderpalsingh Jitendrasingh Bhinder	08697657	-	-
Mrs. Kalpana Kaushik Mazumdar	01874130	-	-
Mrs. Soumya Rajan	03579199	Vishal Mega Mart Limited	Non – Executive Independent Director
Mr. Ramachandra Kasargod Kamath	01715073	Spandana Sphoorty Financial Limited	Non- Executive Nominee Director
Mr. Vivek Vig	01117418	-	-
Mr. Nishant Sharma	03117012	Vishal Mega Mart Limited	Non – Executive Non Independent Director
Mr. Manas Tandon	05254602	Vishal Mega Mart Limited	Non – Executive Non Independent Director
Mr. Rahul Mehta	09485275	-	-

None of the Directors hold directorship in more than 10 (Ten) public companies and serve as a Director in more than 7 (Seven) listed companies, across all their directorships held, including that in the Company. Further, none of the Directors of the Company is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public companies in which he/ she is a Director.

There are no material significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other Designated Persons and their relatives which may have a potential conflict with the interest of the Company at large.

BOARD MEETINGS

The dates of the Board Meetings are fixed well in advance and intimated to the Board members to enable them to plan their schedule accordingly. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision making at the Board Meeting. Presentations are made to the Board on various functional and operational areas of the Company as well as on major projects and financial performance, etc.

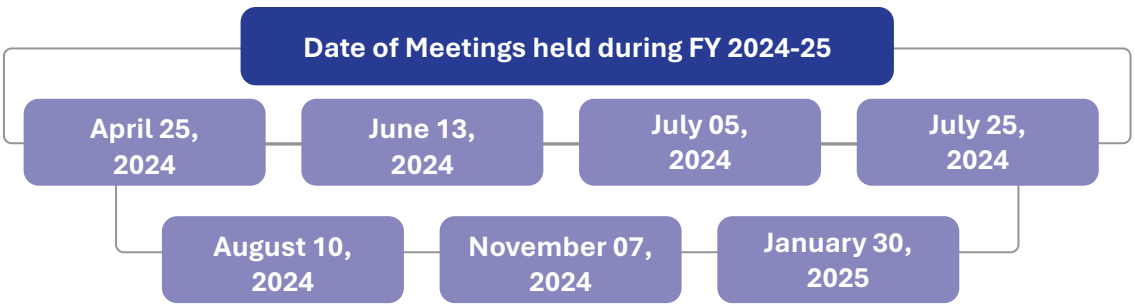
The Board has complete access to all information available with the Company. All Board Meetings are governed by a structured agenda which is backed by comprehensive background information. Video conferencing facility is provided to facilitate Directors to participate in the meetings. The information pertaining to mandatory items as specified in the Act, SEBI (LODR) Regulations, 2015 and other applicable laws, along with other business issues, is regularly provided to the Board of Directors as part of the agenda papers at least one week in advance of the Board Meetings (except for certain unpublished price sensitive information which is circulated at a shorter notice).

Senior management including the Chief Financial Officer ("CFO") are invited to attend the Board Meetings so as to provide additional inputs on the items being discussed by the Board of Directors. At the Board Meetings, Executive Director and Senior Management explain the Board members on various matters including the financial results and operational related issues etc.

Post meeting follow up procedure

The Company has an effective post board meeting follow up procedure. Action Taken Report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board of Directors. Additionally, the Board of Directors has established procedures to periodically review compliance report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

The Board of Directors meets atleast once in every quarter to review the Quarterly Financial Results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings was within the period prescribed under Regulation 17(2) of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and Secretarial Standard - 1 issued by Institute of Company Secretaries of India. The Board of Directors of the Company met 7 (Seven) times during the Financial Year 2024-25.



Attendance of Directors at the Board Meetings held during the Financial Year 2024-25 and at the last Annual General Meeting are as under:

Name of Director	Designation & Category	No. of Meetings entitled to attend	No. of Meetings Present							% of attendance	Attendance at the last AGM held on August 07, 2024
			April 25, 2024	June 13, 2024	July 05, 2024	July 25, 2024	August 10, 2024	November 07, 2024	January 30, 2025		
Mr. Sandeep Tandon	Chairperson Independent Director (Non-Executive)	7	√	√	×#	√	√	×#	√	71.43%	Yes
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive Director)	7	√	√	√	√	√	√	√	100%	Yes
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non-Executive)	7	√	√	√	√	√	√	√	100%	Yes
Mrs. Soumya Rajan	Independent Director (Non- Executive)	7	√	√	√	√	√	√	√	100%	Yes
Mr. Ramachandra Kasargod Kamath	Nominee Director (Non- Executive)	7	√	√	√	√	√	√	√	100%	Yes
Mr. Vivek Vig	Nominee Director (Non- Executive)	7	√	√	√	√	√	√	√	100%	Yes
Mr. Nishant Sharma	Promoter Nominee Director (Non- Executive)	7	√	√	√	√	√	√	√	100%	Yes
Mr. Manas Tandon	Promoter Nominee Director (Non- Executive)	7	√	×#	√	√	√	√	×#	71.43%	Yes
Mr. Rahul Mehta*	Promoter Nominee Director (Non- Executive)	6	NA	√	√	×#	√	√	√	83.33%	Yes
Mr. Kartikeya Dhruv Kaji**	Promoter Nominee Director (Non- Executive)	1	√	NA	NA	NA	NA	NA	NA	100%	NA

*Appointed as an Additional Director w.e.f. May 21, 2024 and appointed as Promoter Nominee Director (Non-Executive) w.e.f. August 07, 2024.

**Resigned w.e.f. May 21, 2024.

#Leave of Absence was granted.

INDEPENDENT DIRECTORS

Independent Directors serve as the cornerstone of Corporate Governance, bringing an objective and impartial perspective to board deliberations. Their presence ensures that decision-making remains free from the dominance of any individual or special interest group, fostering a culture of open dialogue and constructive debate. By acting as guardians of shareholder and stakeholder interests, they play a pivotal role in mitigating conflicts of interest and upholding ethical standards.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Act and Regulation 25(8) of SEBI (LODR) Regulations, 2015 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has also received from them, declaration of compliance of Rule 6(1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs, Manesar, for inclusion/ renewal of name in the data bank of Independent Directors.

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors, the Board of Directors has taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that they are persons of integrity and possess relevant expertise and experience and their continued association as Director will be of immense benefit and in the best interest of the Company. None of the Independent Directors resigned during the Financial Year 2024-25.

a) Terms and Conditions of Appointment of Independent Directors

The terms and conditions of appointment of Independent Directors are available on the Company's website at https://www.aavas.in/codes-and-policies.

b) Fit & Proper Criteria

As per the provisions of the RBI Master Directions, the Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023, as amended from time to time, and that they are not disqualified from being appointed/re-appointed/continuing as Directors in terms of Section 164(2) of the Act.

c) Familiarization Programmes for the Independent Directors

The Company conducts familiarization programme for the Independent Directors to enable them to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with Senior Management Personnel and are provided with all the documents required and/ or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The Company has adopted a structured orientation of Independent Directors at the time of their joining so as to familiarise them with the Company- its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.

The Company updates the members of Board of Directors on a continuing basis on any significant changes and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company. The programme is embedded in the regular meeting agenda where alongside the review of operations, information on the industry, competition and Company strategy are presented on a quarterly basis.

The initiatives undertaken by the Company in this respect have been disclosed on the website of the Company https://www.aavas.in/img/pdf/details-of-familiarization-programme-imparted-to-independent-directors-imparted.pdf

d) Selection and Appointment of Directors

The selection and appointment of directors play a crucial role in ensuring effective Corporate Governance and strategic leadership within a Company. The Board must comprise individuals with diverse skills, expertise, and experience to fulfill its primary responsibility of promoting the Company's interests while safeguarding the rights of shareholders and stakeholders.

The selection and appointment of Directors of the Company is carried out in accordance with provisions of the Act and relevant rules made thereunder, directions and guidelines issued by RBI, NHB, SEBI (LODR) Regulations, 2015 and as per the Nomination and Remuneration Policy, ensuring a structured and transparent selection process of the Company.

COMMITTEES OF THE BOARD OF DIRECTORS

Board Committees are established to enhance the effectiveness and efficiency of the Board, particularly in areas requiring specialized expertise and focused discussions. These Committees facilitate thorough examination of key issues, ensuring informed decision-making. By conducting in-depth reviews and preparing recommendations, they streamline the Board's deliberations and optimize its time for strategic oversight. Their formation is a cornerstone of strong Corporate Governance, enabling transparent, well-structured and accountable leadership.

The Board has constituted various Committees comprising of Directors and Senior Management Personnel (wherever

required) as its members to emphasis on specific areas and make informed decisions within the authority delegated to each of the Committees. The Committees operate as per the directions of the Board. The composition and terms of reference of these Committees are in compliance with the applicable provisions of the Companies Act, SEBI (LODR) Regulations, 2015, and the Master Directions issued by RBI. Each Committee of the Board is instructed by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees were placed before the Board for information or approval.

The Board has accepted all the decisions and recommendations of the Committees during the Financial Year 2024-25. The composition and functioning of these Board Committees is in compliance with the applicable provisions of the Act, SEBI (LODR) Regulations, 2015 and RBI Master Directions.

Details of the Committees of the Board as on March 31, 2025 and other related information are as follows:

Board Committees

Audit Committee

- Mrs. Kalpana Kaushik Mazumdar
- Mr. Sandeep Tandon
- Mrs. Soumya Rajan
- Mr. Ramachandra Kasargod Kamath

Nomination and Remuneration Committee

- Mrs. Soumya Rajan
- Mr. Sandeep Tandon
- Mr. Nishant Sharma

Stakeholders Relationship Committee

- Mr. Sandeep Tandon
- Mr. Sachinderpalsingh Jitendrasingh Bhinder
- Mr. Vivek Vig
- Mr. Rahul Mehta*

Corporate Social Responsibility and Environmental, Social and Governance Committee

- Mr. Rahul Mehta*
- Mr. Kalpana Kaushik Mazumdar
- Mr. Vivek Vig
- Mr. Sachinderpalsingh Jitendrasingh Bhinder

Risk Management Committee

- Mr. Manas Tandon
- Mr. Ramachandra Kasargod Kamath
- Mrs. Soumya Rajan

Asset Liability Management Committee

- Mr.Sachinderpalsingh Jitendrasingh Bhinder
- Mr. Nishant Sharma
- Mr. Vivek Vig
- Mr. Ghanshyam Rawat
- Mr. Ashutosh Atre
- Mr. Ripudaman Bandral

Information Technology Strategy Committee

- Mr. Sandeep Tandon
- Mr. Sachinderpalsingh Jitendrasingh Bhinder
- Mr. Rahul Mehta*

Executive Committee

- Mr. Nishant Sharma
- Mr. Sachinderpalsingh Jitendrasingh Bhinder
- Mr. Ghanshyam Rawat
- Mr.Ashutosh Atre
- Mr. Manas Tandon

Customer Service and Grievance Redressal Committee

- Mr. Sachinderpalsingh Jitendrasingh Bhinder
- Mr. Ghanshyam Rawat
- Mr. Surendra Kumar Sihag
- Mr. Ashutosh Atre#

Chairperson
Member

*appointed as the member of Stakeholders Relationship Committee, Information Technology Strategy Committee and Chairperson of Corporate Social Responsibility and Environmental, Social and Governance Committee w.e.f May 21, 2024.
#appointed as the member of Customer Service and Grievance Redressal Committee w.e.f January 30, 2025.

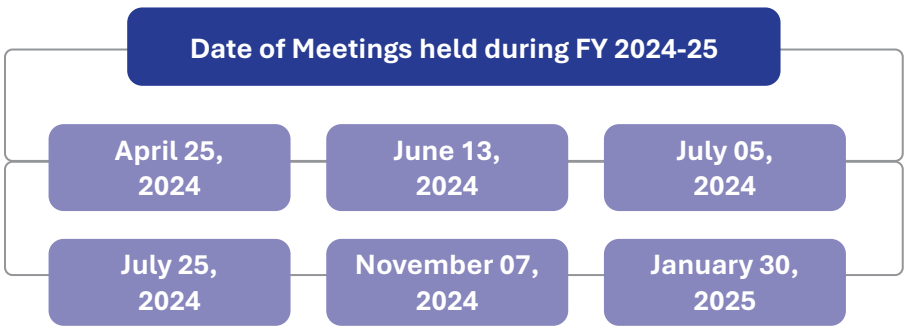
Please note:

- Mr. Kartikeya Dhruv Kaji ceased to be the member of Stakeholders Relationship Committee and Information Technology Strategy Committee and Chairperson of Corporate Social Responsibility & Environmental Social Governance Committee w.e.f. May 21, 2024.

- Mr. Rajeev Sinha ceased to be the member of Customer Service & Grievance Redressal Committee w.e.f. November 30, 2024.

AUDIT COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015.The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee met 6 (Six) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

At present, the Committee consists of 4 (Four) Directors as its Members, out of them 2/3rd are Independent Directors and all of them being Non-Executive Directors. The Committee is being chaired by an Independent Director. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess accounting or related financial management expertise.

The Board has accepted and implemented the recommendations of the Audit Committee, whenever provided by it.

The composition of the Committee and the details of attendance of the Members at the meeting of the Committee held during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended					
			April 25, 2024	June 13, 2024	July 05, 2024	July 25, 2024	November 07, 2024	January 30, 2025
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	Chairperson & Member	√	√	√	√	√	√
Mr. Sandeep Tandon	Independent Director (Non- Executive)	Member	√	√	×#	√	√	√
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Member	√	√	√	√	√	√
Mr. Ramachandra Kasargod Kamath	Nominee Director (Non- Executive)	Member	√	√	√	√	√	√

Leave of absence was granted.

The Chief Financial Officer and Statutory Auditors attended the meetings as invitees.

The terms of reference of the Audit Committee inter-alia includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4. Reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;

   b) Changes, if any, in accounting policies and practices and reasons for the same;

   c) Major accounting entries involving estimates based on the exercise of judgment by management;

   d) Significant adjustments made in the Financial Statements arising out of audit findings;

   e) Compliance with listing and other legal requirements relating to Financial Statements;

   f) Disclosure of any related party transactions; and

   g) Modified opinion(s) in the draft Audit Report.

5. Reviewing with the management, the Quarterly Financial Statements before submission to the Board for approval;

6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilization of proceeds of public issue or rights issue or preferential issue or qualified institution placement, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval of any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of Internal Financial Controls and Risk Management Systems;

12. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;

13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audits;

14. Discussion with Internal Auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the Whistle Blower Mechanism;

19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Overseeing the vigil mechanism established by our Company and the Chairperson of Audit Committee shall directly hear grievances of victimization of Employees and Directors, who use vigil mechanism to report genuine concerns;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of the Company or specified / provided under the Act or by the SEBI (LODR) Regulations,2015 or by any other regulatory authority;

22. Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its Shareholders;

24. To review management discussion and analysis of financial condition and results of operations;

25. To review management letters / letters of internal control weaknesses issued by the statutory auditors;

26. To review Internal Audit reports relating to internal control weaknesses;

27. To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;

28. Statement of deviations in terms of the SEBI (LODR) Regulations, 2015:

    a) Quarterly statement of deviation(s) including report of Monitoring Agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32 (1) of the SEBI (LODR), Regulations, 2015; and

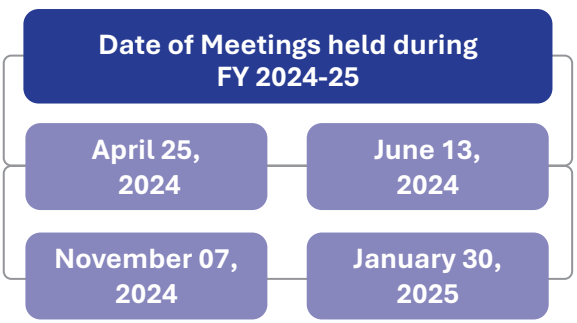
    b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

29. Any other power as may be given under SEBI (LODR) Regulations, 2015, the Act, or other applicable regulations.

    Further, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Committee has primarily focused on review of initiatives related to talent acquisition and management, succession planning, employee engagement and employee compensation.The Committee met 4 (Four) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

At present, the Committee consists of 3 (Three) Directors as its Members with 2 (Two) of them being Independent Directors. The Committee is being chaired by an Independent Director.

The Board has accepted and implemented the recommendations of the Nomination and Remuneration Committee, whenever provided by it. The Board has formed and approved a charter for the Nomination and Remuneration Committee setting out the roles, responsibilities and functioning of the Committee.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee held during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended			
			April 25, 2024	June 13, 2024	November 07, 2024	January 30, 2025
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Chairperson & Member	√	√	√	√
Mr. Sandeep Tandon	Independent Director (Non- Executive)	Member	√	√	√	√
Mr. Nishant Sharma	Promoter Nominee Director (Non- Executive)	Member	√	√	√	√

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, KMP and other Employees;

2. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of an external agencies, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

4. Devising a policy on diversity of Board of Directors;

5. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal;

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

7. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;

8. Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:

   a) Administering the ESOP plans;

   b) Determining the eligibility of Employees to participate under the ESOP plans;

   c) Granting options to eligible Employees and determining the date of grant;

   d) Determining the number of options to be granted to an Employee;

   e) Determining the exercise price under the ESOP plans; and

   f) Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of the Company and eligible Employees under the ESOP plans, and prescribing, amending and / or rescinding rules and regulations relating to the administration of the ESOP plans.

9. Framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable law in India or overseas, including:

   a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ("SEBI PIT Regulations");

   b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

   c) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee.

Performance Evaluation of the Board, its Committees and Individual Directors, including Independent Directors

Upon recommendation of Nomination and Remuneration Committee, the Board of Directors has devised an evaluation framework in line with the applicable provisions of the Act read with relevant rules made thereunder and SEBI (LODR) Regulations, 2015 and in compliance of guidance note issued by SEBI under Circular no. SEBI/HO/ CFD/ CMD/CIR/P/2017/004 dated, January 05, 2017. The Company has laid down the process, format, attributes and criteria for performance evaluation of the Board, its Committees and the individual Board Members (including Independent Directors), to be carried out only by the Board of the Company.

The Performance Evaluation of the Board of the Company, its Committees and the individual Board members (including Independent Directors) for Financial Year 2024-25 has been carried out by the Board in accordance with the Evaluation Framework adopted by the Company.

The Performance Evaluation criteria for Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/

her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective independent judgement during meetings, etc.

To ease the evaluation process and to make it more efficient and productive, the Company uses Board Evaluation Platform "GOVEVA Board Evaluation", which is a web-based module. The Directors can evaluate related group and provide ranking accordingly at one place in matrix-based form upon which automated report is generated which maintains complete confidentiality and anonymity.

The Board has expressed its satisfaction with the evaluation process.

Policy on Nomination & Remuneration for Directors, Key Managerial Personnel and Senior Management Personnel

The effectiveness of an organization in achieving strong performance and governance is closely tied to its ability to attract and retain high- calibre individuals for its Board, KMP, and Senior Management Personnel. The Company has structured their nomination and remuneration policies to ensure compliance with statutory requirements, promote meritocracy, and align compensation with both performance and prudent risk-taking. The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015 and RBI Master Directions.

The policy inter-alia, lays down the approach to diversity of the Board, the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, KMP and the process of their evaluation.

The remuneration paid to the Directors is in line with the Remuneration Policy of the Company. The Remuneration Policy can be accessed on the website of the Company at https://www.aavas.in/codes-and-policies.

Remuneration paid to Directors

a) Non-Executive Directors

Equivalent Consolidated Remuneration is paid to Non-Executive Directors as profit linked commission on quarterly basis for attending the Committee and Board Meetings instead of paying sitting fees separately. The amount payable to the Non-Executive Directors is approved by the Board on the recommendation of Nomination & Remuneration Committee and is within the overall limits as approved by the Shareholders of the Company from time to time.

Details of the Remuneration paid to each Non- Executive Director during the Financial Year 2024-25 is set out in the below table:

(₹ in lakhs)

Name of the Director	Salary and Other Compensation	Remuneration		
		Stock Options	Commission	Sitting Fees
Mr. Sandeep Tandon	-	-	30.00	-
Mrs. Kalpana Kaushik Mazumdar	-	-	30.00	-
Mrs. Soumya Rajan	-	-	30.00	-
Mr. Ramachandra Kasargod Kamath	-	-	30.00	-
Mr. Vivek Vig	-	-	30.00	-
Mr. Nishant Sharma*	-	-	-	-
Mr. Manas Tandon*	-	-	-	-
Mr. Rahul Mehta*	-	-	-	-

*Mr. Nishant Sharma, Mr. Manas Tandon and Mr. Rahul Mehta being the Promoter Nominee Directors have not received any remuneration from the Company.

- **All pecuniary relationship or transactions of the Non-Executive Directors with the Company**

  None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company apart from receiving remuneration in the form of profit linked commission. During the Financial Year 2024-25, the Company did not advance any loans to any of its Directors.

- **Details of service contracts, notice period and severance fees**

  Service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Director.

- **Criteria of making payments to Non-Executive Directors**

  The criteria for making payment to Non-Executive Directors including Independent Directors are prescribed in the Nomination and Remuneration Policy which is available on the website of the Company at https://www.aavas.in/codes-and-policies.

b) Executive Director

- **Details of fixed components and performance linked incentives along with the Performance Criteria:**

  Mr. Sachinderpalsingh Jitendrasingh Bhinder is the Managing Director and Chief Executive Officer of the Company. His remuneration package comprises of salary, performance linked bonus and other benefits as approved by the Shareholders of the Company. The remuneration paid to him is governed by Employment Agreement executed between him and the Company.

  Details of the remuneration paid to Mr. Bhinder during the Financial Year 2024-25 is as below:

  (₹ in lakhs)

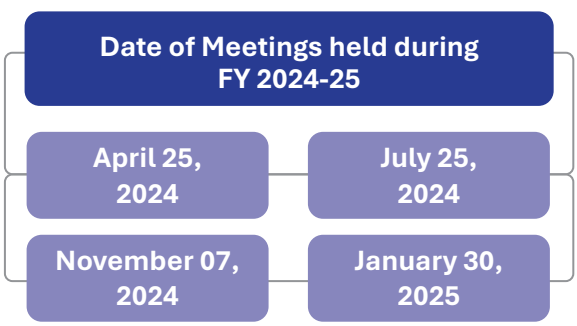
Particulars	Details
Fixed Salary	₹ 204.91
Variable Pay/performance linked bonus	₹ 127.33
Stock Options	(i) 5,256 options granted under PSOP-2023 on October 18, 2024 to be vested and excercised as per terms of PSOP-2023. (ii) 1,20,000 options granted under PSOP-2024 on January 30, 2025 to be vested and exercised as per the terms of PSOP-2024.
Others	Other benefits as per the terms of agreement and as approved by the Shareholders of the Company.

- **Details of service contracts, notice period and severance fees**

  Service contract, notice period and severance fees are as per the Employment Agreement executed between him and the Company. The Current tenure of the Managing Director is valid till May 02, 2028 and tenure in the capacity of Chief Executive Officer is valid till Feb 01, 2028.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of the Schedule II of the SEBI (LODR) Regulations, 2015. The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of Shareholders. The Committee specifically looks into redressing shareholders/ investors complaints/ grievances pertaining to share transfers/ transmission, non-receipts of Annual Reports, and other allied complaints. The Committee met 4 (Four) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

At present, the Committee consists of four (4) Directors as its Members with one of them being an Independent Director. The Committee is being chaired by an Independent Director.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended			
			April 25, 2024	July 25, 2024	November 07, 2024	January 30, 2025
Mr. Sandeep Tandon	Independent Director (Non-Executive)	Member & Chairperson	√	√	√	√
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)	Member	√	√	√	√
Mr. Vivek Vig	Nominee Director (Non- Executive)	Member	√	√	√	√
Mr. Kartikeya Dhruv Kaji*	Promoter Nominee Director (Non- Executive)	Member	√	NA	NA	NA
Mr. Rahul Mehta#	Promoter Nominee Director (Non- Executive)	Member	NA	×##	√	√

*ceased to be the Member of the Committee w.e.f. May 21, 2024.

#appointed as the Member of the Committee w.e.f May 21, 2024.

##leave of absence was granted.

The terms of reference of the Stakeholders Relationship Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by Shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the Shareholders of the Company.
5. Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

Name & Designation of Compliance Officer

The Board of Directors has appointed Mr. Saurabh Sharma, as the Company Secretary & Compliance Officer of the Company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015 w.e.f January 31, 2025. Prior to this, Mr. Sharad Pathak was the Company Secretary & Compliance Officer of the Company upto January 30, 2025.

Details of Investor Complaints

Details of complaints received and resolved to the satisfaction of the Shareholders by the Company during Financial Year 2024-25 are given below:

Sr. No.	Nature of Complaints	Number of Complaints received during the period	Number of Complaints disposed off during the period	Number of Complaints remained unresolved	Number of complaints not solved to the satisfaction of the Shareholders
1	Non-Receipt of Dividend/Interest/ Redemption Warrant	-	-	-	-
2	Non-Receipt of Annual Report	-	-	-	-
3	Non-receipt of Refund/Credit of Shares-IPO	-	-	-	-
4	SEBI-SCORES	-	-	-	-
5	Requirement of statutory documents, records and Statutory Registers	-	-	-	-
Total		**-**	**-**	**-**	**-**

Arbitration Mechanism (ODR Mechanism)

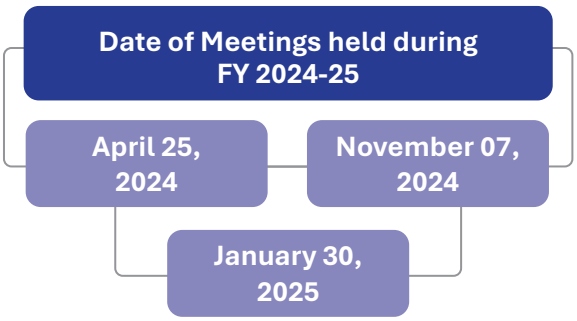
SEBI has vide Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023) amended from time to time, established a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. This information along with SEBI circular is available on the website of the Company at https://smartodr.in/login for the Shareholders' information and reference.

SCORES (SEBI COMPLAINTS REDRESSAL SYSTEM)

The Company has made continuous efforts to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System ("SCORES") administers a centralised web-based complaints redress system. It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 135 of the Companies Act, 2013. The Committee ensures to formulate and recommend to the Board, a Corporate Social Responsibility & ESG Policy and an Annual Action Plan. It also monitors the CSR and ESG Policy from time to time, mechanism for implementation of the CSR and ESG projects /programmes/ activities undertaken by the Company. The Committee met 3 (Three) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

At present, the Committee comprises of 4 (Four) Directors as its Members including one of them being an Independent Director. The Committee is being chaired by Non-Independent Director.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended		
			April 25, 2024	November 07, 2024	January 30, 2025
Mr. Kartikeya Dhruv Kaji*	Promoter Nominee Director (Non- Executive)	Chairperson & Member	√	NA	NA
Mr. Rahul Mehta#	Promoter Nominee Director (Non- Executive)	Chairperson & Member	NA	√	√
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	Member	√	√	√
Mr. Vivek Vig	Nominee Director (Non- Executive)	Member	√	√	√
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)	Member	√	√	√

* ceased to be the Member and Chairperson of the Committee w.e.f. May 21, 2024.

#appointed as Member and Chairperson of the Committee w.e.f. May 21, 2024.

The terms of reference of the Corporate Social Responsibility and Environmental, Social and Governance Committee inter-alia includes the following:

1. To formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
2. To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken;
3. To monitor the CSR Policy of the Company from time to time;
4. Formulate and recommend to the Board, annual action plan of CSR Activities of the Company;
5. Approve the projects; recommend the amount to be spent, set project selection guidelines and monitor implementation to ensure that spending is undertaken in accordance with this Policy;
6. Monitoring Progress: To monitor the impact of the ESG Policy on an annual basis through the BRSR Report as well as the Sustainability Report, which will be published every year. In case of any deviation from planned progress, identify root cause, and provide remedy to same;
7. ESG Risk Monitoring: To identify, assess and manage environment and social risks & opportunities and their associated impacts across its operations and value chains using the principles of materiality, and ensuring that such practices are integrated in business strategies with allocation of appropriate resources;
8. ESG Roadmap & Targets: To (a) set the ESG roadmap of the Company with short-term and long-term ESG targets for continual improvement of Company's ESG performance, (b) define pertinent E, S and G-related KPIs, (c) to evaluate the performance against each KPIs and (d) report the progress periodically to internal and external stakeholders; and
9. Review & Amendment: To review the ESG Policy of the Company annually or as and when required and to also amend or modify this Policy in whole or in part as and when significant changes occur, to reflect the national & global best practices, latest policy/ regulatory directions/ guidelines issued by the Government of India (GoI), RBI, NHB, SEBI and any other statutory/ regulatory authority as applicable for the Company.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company has been constituted in terms of the provisions of Regulation 21 read with Part D of the Schedule II of SEBI (LODR) Regulations, 2015 and other applicable guidelines. The Risk Management Committee identifies the risks that can create an impact on the Company and to take appropriate measures to mitigate such risks for assisting the Board to establish a risk culture and risk governance framework in the organization. The Committee met 5 (Five) times during the Financial Year 2024-25.

The Company Secretary of the Company acts as the Secretary to the Committee.

The Board of Directors shall define the role and responsibility of the Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

At present, Committee consists of 3 (Three) Directors as its Members including one Independent Director. The Committee is being chaired by Non-Executive Director.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 25, 2024	June 13, 2024	July 25, 2024	November 07, 2024	January 30, 2025
Mr. Manas Tandon	Promoter Nominee Director (Non- Executive)	Chairperson & Member	√	×#	√	√	√
Mr. Ramachandra Kasargod Kamath	Nominee Director (Non- Executive)	Member	√	√	√	√	√
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Member	√	√	√	√	√

#leave of absence was granted.

The terms of reference of the Risk Management Committee inter-alia include the following:

1. To formulate a detailed Risk Management Policy which shall include:

   a) Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

   b) Measures for risk mitigation including systems and processes for internal control of identified risks;

   c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. Reporting results of risk and credit monitoring to the Board;

8. Reviewing and approving various credit proposals in terms of credit and risk management policies approved by the Board;

9. Establishing policies, practices and other control mechanism to manage risks; and

10. Reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions.

ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee of the Company has been constituted in terms of guidelines issued by the National Housing Board vide circular NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010. The Committee met 5 (Five) times during the Financial Year 2024-25.

The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee consists of 6 (Six) Members. The Committee is being chaired by the Managing Director & CEO of the Company.

The Committee is responsible for overseeing the management of assets and liabilities to ensure that the Company is earning adequate returns and keeping a watch on the asset liability gaps, if any. Asset Liability Management Committee lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 25, 2024	July 25, 2024	October 01, 2024	November 07, 2024	January 30, 2025
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)	Chairperson & Member	√	√	√	√	√
Mr. Nishant Sharma	Nominee Director (Non- Executive)	Member	√	√	√	√	√
Mr. Vivek Vig	Nominee Director (Non- Executive)	Member	√	√	×#	√	√

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 25, 2024	July 25, 2024	October 01, 2024	November 07, 2024	January 30, 2025
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member	√	√	√	√	√
Mr. Ashutosh Atre	President and Chief Risk Officer	Member	√	√	√	√	√
Mr. Ripudaman Bandral	Chief Credit Officer	Member	√	√	√	√	√

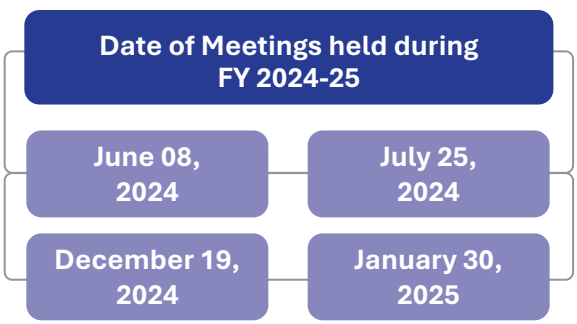
#leave of absence was granted.

The scope of the Asset Liability Management Committee inter-alia includes the following:

1. Liquidity risk management
2. Management of market risks
3. Trading risk management
4. Funding and capital resource planning to review the effectiveness of the Asset Liability Management control
5. Profit planning and growth projection

INFORMATION TECHNOLOGY STRATEGY COMMITTEE

The constitution of Information Technology Strategy Committee of the Company is as per the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023. The Committee met 4 (Four) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee consists of 4 (Four) Members. The Committee is being chaired by an Independent Director of the Company.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended			
			June 08, 2024	July 25, 2024	December 19, 2024	January 30, 2025
Mr. Sandeep Tandon	Independent Director (Non-Executive)	Chairperson & Member	√	√	√	√
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO (Executive)	Member	√	√	√	√
Mr. Rahul Mehta*	Promoter Nominee Director (Non- Executive)	Member	√	×#	×#	√
Mr. Kartikeya Dhruv Kaji**	Promoter Nominee Director (Non- Executive)	Member	NA	NA	NA	NA

*appointed as a Member of the Committee w.e.f. May 21, 2024.

**ceased to be Member of the Committee w.e.f. May 21, 2024.

#leave of absense was granted.

The terms of reference of the Information Technology (IT) Strategy Committee inter-alia include the following:

1. Providing input to other Board Committees and Senior Management;

2. Carrying out review and amending the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;

3. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

4. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

5. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

7. Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls;

8. Ensure to put an effective IT strategic planning process;

9. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of accomplishment of business objectives;

10. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, and has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;

11. Processes for assessing and managing IT and cybersecurity risks;

12. Budgetary allocations for the IT function (including for IT security), cyber security is commensurate with the IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;

13. Review, at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company; and

14. The assessment of IT capacity requirements and measures taken to address the issues shall be reviewed by the ITSC.

EXECUTIVE COMMITTEE

The Board of Directors has constituted the Executive Committee. It serves as a central decision-making and oversight body responsible for shaping the organization's strategic direction, policies, and operations.

The purpose of the Committee is to advise the Board of Directors in matters related to loans, borrowings and investment and to approve the financing options available to Company to meet its fund requirements within the limits approved by the Board of Directors and Shareholders of the Company from time to time. Besides this, the Committee also reviews the conduct of business and operations to consider new products and parameters and suggests business reorientation.

The composition of the Committee is as follows:

Name of the Members	Category	Designation
Mr. Nishant Sharma	Promoter Nominee Director (Non-Executive)	Chairperson
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and Chief Executive Officer (Executive)	Member
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member
Mr. Ashutosh Atre	President and Chief Risk Officer	Member
Mr. Manas Tandon	Promoter Nominee Director (Non-Executive)	Member

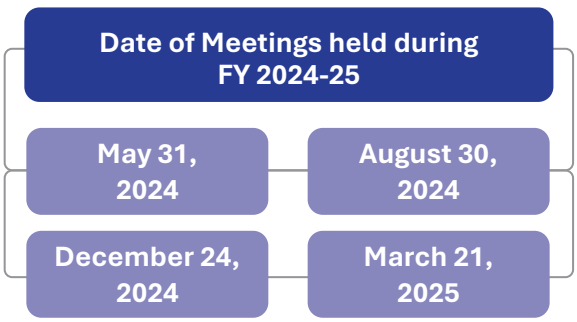
The Company Secretary of the Company acts as Secretary to the Committee.

The Committee consists of 5 (Five) Members. The Committee is being chaired by Non-Executive Director of the Company.

During the period under review total 35 (Thirty five) Executive Committee Meetings were held on dated April 03, 2024; April 20, 2024; May 21, 2024; May 25, 2024; May 30, 2024; June 22, 2024; June 25, 2024; July 30, 2024; August 04, 2024; August 06, 2024; August 22, 2024; August 24, 2024; August 27, 2024; September 16, 2024; September 18, 2024; September 19, 2024; October 09, 2024; October 18, 2024; October 24, 2024; October 30, 2024; November 21, 2024; November 25, 2024; November 28, 2024; December 20, 2024; December 24, 2024; December 26, 2024; January 07, 2025; January 18, 2025; January 24, 2025; January 30, 2025; February 07, 2025; February 20, 2025, March 07, 2025, March 21, 2025 and March 25, 2025.

CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE

The Customer Service and Grievance Redressal Committee of the Company has been constituted mainly for protecting the interest of customers of the Company. It ensures constant evaluation of the feedback on quality of Customer Services and Redressal provided to the customers, considering unresolved complaints/ grievance referred to it by Functional Heads.The Committee met 4 (Four) times during the Financial Year 2024-25.



The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee consists of 4 (Four) Members. The Committee is chaired by the Managing Director & CEO of the Company.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the Financial Year are as under:

Name of the Members	Category	Designation	No. of Meetings Attended			
			May 31, 2024	August 30, 2024	December 24, 2024	March 21, 2025
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO	Chairperson	√	√	√	√
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member	√	√	√	√
Mr. Rajeev Sinha*	Executive- VP Operations	Member	√	√	NA	NA
Mr. Surendra Kumar Sihag	Chief Collection Officer	Member	√	√	√	√
Mr. Ashutosh Atre**	President and Chief Risk Officer	Member	NA	NA	NA	√

*ceased to be the Member of the Committee w.e.f. November 30, 2024.

**appointed as a Member of the Committee w.e.f. January 30, 2025.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met separately on March 05, 2025, without the presence of Non-Independent Directors and members of Management. In accordance with the Regulation 25(3) of SEBI (LODR) Regulations, 2015, read with Section 149 (8) and Schedule-IV of the Act, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

EMPLOYEE STOCK OPTION SCHEME

The disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is mentioned in the Director's Report.

Loans and Advances in the nature of loans to firms/companies in which Directors are Interested: Nil

POLICIES AND CODES

The Company is dedicated to uphold the highest standards of ethical, moral, and legal conduct in its business operations. Policies serve as statements of intent and are implemented through structured procedures and protocols. These guiding principles forms the foundation for responsible decision-making and ensure alignment with applicable laws, regulations, and best practices. Every policy and code is crafted to reflect the Company's unwavering commitment to integrity, transparency, and accountability across all its operations.

In adherence to Chapter II (Principles governing disclosures and obligations of listed entities) of SEBI (LODR) Regulations, 2015, RBI Master Directions, and other relevant guidelines, as well as its commitment to Corporate Governance and an effective internal control system, the Company has adopted several codes, policies, and guidelines, including the following:

a) Internal Guidelines on Corporate Governance

The Company has established and implemented the Internal Guidelines on Corporate Governance in line with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. These guidelines define the Company's governance framework and outline its legal, contractual, and social responsibilities toward various stakeholders.

Framed in compliance with the Act, SEBI (LODR) Regulations, 2015, RBI Master Directions and other relevant rules and regulations, this policy undergoes periodic review by the Board. As regulations evolve and best practices emerge, these reviews ensure continuous enhancement of the Company's governance standards.

The Internal Guidelines on Corporate Governance is available on the website of the Company at https://www.aavas.in/codes-and-policies.

b) Policy on Know Your Customer ("KYC") Norms and Anti Money Laundering ("AML") Measures ("KYC & AML Policy")

The Company has developed and adopted KYC and AML Policy in compliance with KYC norms and AML measures issued by the RBI, the Prevention of Money Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 made thereunder. This policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.

This policy is periodically reviewed by the Board. These reviews ensure continuous enhancement of governance standards, adapting to evolving regulations and best practices.

The Policy on KYC Norms and AML Measures ("KYC & AML Policy") are available on the website of the Company at https://www.aavas.in/codes-and-policies.

c) Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions

In compliance with Regulation 23 of SEBI (LODR) Regulations, 2015, the Company has established a policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. All transactions with related parties during the Financial Year were conducted in the ordinary course of business and on an arm's length basis.

An 'Arm's Length Transaction' refers to a transaction between related parties conducted as if they were unrelated, ensuring no conflict of interest, as defined in explanation (b) to Section 188(1) of the Act. The Board shall review this policy at least once every three years or at intervals deemed appropriate, in line with applicable laws.

There were no materially significant transactions with related parties during the Financial Year which conflicted with the interest of the Company. All necessary disclosures, as required by applicable Accounting Standards, have been incorporated into the notes to the Financial Statements. The details of related party transactions, if any, are periodically presented to the Audit Committee.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of Company at https://www.aavas.in/codes-and-policies.

d) Code of Conduct for the Board and the Senior Management Personnel

In line with SEBI (LODR) Regulations, 2015 and as part of its commitment to establish a strong Corporate Governance framework, the Board has adopted a comprehensive 'Code of Conduct for the Board and Senior Management Personnel.' This Code applies to all Directors, including Non-Executive and Independent Directors, as well as Senior Management Personnel of the Company.

Designed to provide clear guidance, the Code ensures that Directors and Senior Management conduct business with integrity, adhering to ethical principles and full compliance with applicable laws, rules, and regulations. Its objective is to reinforce ethical behaviour while fostering a culture of honesty, transparency, and accountability across the organization.

Pursuant to Part D of Schedule V of the SEBI (LODR) Regulations, 2015 the Managing Director and CEO have submitted a declaration confirming compliance with the Code of Conduct by all Directors and Senior Management

Personnel for the Financial Year ended March 31, 2025. This declaration is appended as '**Annexure A**' to this Report.

The Code of Conduct for the Board and the Senior Management Personnel is available on the website of the Company at web https://www.aavas.in/codes-and-policies.

e) Policy for Determining Material Subsidiaries

In accordance with the provisions of SEBI (LODR) Regulations, 2015 the Board has implemented a 'Policy for Determining Material Subsidiaries,' which outlines the parameters for identifying a subsidiary as a 'Material Subsidiary.'

The following 'Authorized KMPs' of the Company have been individually empowered to determine the Materiality of an Event or Information:

- Managing Director & Chief Executive Officer
- President & Chief Financial Officer
- President & Chief Risk Officer
- Company Secretary & Compliance Officer

The Policy for Determining Material Subsidiary is available on the website of the Company at https://www.aavas.in/codes-and-policies.

Material Subsidiary:

'Material subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company does not have any Material Subsidiary as on March 31, 2025 in terms of SEBI (LODR) Regulations, 2015.

f) Information Technology Related Policies

The Reserve Bank of India (RBI) introduced directions on outsourcing of IT services under the 'Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023.' Furthermore, the RBI issued the 'Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices' on November 7, 2023, which came into effect on April 1, 2024.

These updated guidelines consolidate and refine previous instructions on IT governance, risk management, controls, assurance practices, and business continuity/disaster recovery management that were separately prescribed for Banks and NBFCs. In alignment with these RBI directives, the Company has established and implemented the necessary IT policies to ensure compliance.

g) Policy on "Valuation of Properties and Empanelment of Valuers"

In accordance with the RBI Master Directions, the Company is required to establish a system, procedure, and policy for the valuation of properties and the appointment of valuers.

In line with these requirements, the Board has adopted the 'Policy on Valuation of Properties and Empanelment of Valuers,' ensuring a structured and compliant approach to property valuation and valuer selection.

h) Whistle Blower Policy / Vigil Mechanism

In compliance with Sub-Section 9 of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (LODR) Regulations, 2015 every listed Company, as well as companies accepting public deposits or those with borrowings exceeding fifty crore rupees from banks and financial institutions, is required to establish a Whistle Blower Policy/Vigil Mechanism. This mechanism enables Directors and Employees to report genuine concerns or grievances related to unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct.

The primary objective of this Policy is to uphold the highest standards of ethical, moral, and legal business conduct. To maintain these standards, the Company encourages Employees to report suspected misconduct without fear of retaliation, punishment or unfair treatment.

The Company is committed to conduct its business with the utmost professionalism, honesty, integrity and transparency. A culture of accountability ensures that Directors and Employees can safely raise concerns about any wrongful conduct. In adherence to the Act and SEBI (LODR) Regulations, 2015, the Board has approved the Vigil Mechanism/Whistle Blower Policy, which provides a secure and structured framework for responsible whistleblowing. This policy safeguards Directors and Employees who raise concerns about serious irregularities within the Company and facilitates proper governance through a defined mechanism for reporting complaints and grievances. The Audit Committee oversees the Vigil Mechanism, ensuring its effective implementation, and no personnel have been denied access to the Chairperson of the Audit Committee.

The Policy for Whistle Blower Policy / Vigil Mechanism is available on the website of the Company at https://www.aavas.in/codes-and-policies.

i) Policy for Determination of Materiality of Events and Information

In accordance with the provisions of SEBI (LODR) Regulations, 2015 the Board has adopted the 'Policy for Determination of Materiality of Events and Information.' This policy establishes guidelines for assessing the materiality of events and information to ensure timely disclosures to the Stock Exchanges. It also designates specific officers of the Company who are authorized to determine materiality and oversee the disclosure process.

The Policy for Determination of Materiality of Events and Information is available on the website of the Company at https://www.aavas.in/codes-and-policies.

j) Corporate Social Responsibility ("CSR") Policy

In accordance with Section 135 of the Act, the Board has adopted the 'CSR Policy' to advance the Company's objective of creating value within the society and community it serves. Through its services, conduct, and initiatives, the Company strives to promote sustained social and economic growth, reinforcing its commitment as a socially responsible corporate citizen.

Any unspent CSR amount shall be treated in compliance with Section 135(6) of the Act.

The CSR Policy reflects the Company's philosophy of corporate responsibility and outlines key initiatives undertaken in areas such as skill development, rural development, women empowerment, environmental protection, and healthcare. It defines the scope of CSR activities, as well as the roles and responsibilities of the Board and the CSR Committee in implementing and monitoring the identified projects.

The Corporate Social Responsibility Policy is available on the website of the Company at https://www.aavas.in/codes-and-policies.

k) Code of Conduct for Prohibition of Insider Trading ("PIT") and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI")

In compliance with the SEBI PIT Regulations, as amended from time to time, the Company has established a 'Code of Conduct – Prevention of Insider Trading.' This Code strictly prohibits Insiders from trading in the Company's shares while in possession of unpublished price-sensitive information. Additionally, it ensures uniform dissemination of such information to uphold transparency and regulatory compliance.

The Board adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which is available on the website of the Company at https://www.aavas.in/codes-and-policies.

l) Code for Independent Directors

In accordance with Section 149 and Schedule IV of the Act, the Company has adopted a Code for Independent Directors to ensure the effective discharge of their responsibilities in a professional manner.

This Code serves as a guiding framework for the professional conduct of Independent Directors. By adhering to these standards and fulfilling their roles with integrity and diligence, Independent Directors strengthen confidence among the investment community, particularly minority shareholders, regulators, and other stakeholders.

The Code outlines the principles of professional conduct, defines the roles, functions, and duties of Independent Directors, and establishes a process for performance evaluation. It is designed to uphold transparency, accountability, and trust in the institution of Independent Directors.

m) Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to foster a work environment where every Employee is treated with dignity and respect. To uphold this commitment, the Company has established & implemented a comprehensive framework for the prevention of sexual harassment against women and redressal of complaints thereto and has also constituted Internal Complaints Committee, fully aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act").

To promote awareness, the Company educates Employees about its Sexual Harassment Policy through posters, regular mailers, and online training, which forms an integral part of the induction process.

In compliance with the Act, the details of total complaints received and disposed off related to incidents are as follows:

Number of complaints pending as on start of the Financial Year.	0
Number of complaints filed during the Financial Year	1
Number of complaints disposed of during the Financial Year	1
Number of complaints pending as on end of the Financial Year.	0

n) Dividend Distribution Policy

In terms of Provisions of Regulation 43A of SEBI (LODR) Regulations, 2015.

The Company has in place Dividend Distribution Policy, duly approved by the Board of Directors. The Dividend Distribution Policy is available on the website of the Company and can be accessed at https://www.aavas.in/img/pdf/dividend-distribution-policy.pdf.

o) Particulars of Senior Management including the changes therein since the close of the previous Financial Year

In alignment with the principles of Corporate Governance, our Senior Management demonstrates an unwavering commitment to transparency, integrity, and strategic foresight. With a sharp focus on stakeholder value creation and prudent risk management, our distinguished leaders navigate the evolving business landscape with confidence and vision.

Anchored in a culture of accountability and ethical leadership, they foster trust and confidence among investors, employees, and the broader community.

The list of the Senior Management team, including those classified as Senior Management Personnel under SEBI (LODR) Regulations, 2015 as of March 31, 2025, is provided on pages 66 to 67 of the Annual Report.

During the Financial Year 2024-25, following changes took place in the Senior Management of the Company:

1. Mr. Siddharth Srivastava, Chief Business Officer resigned w.e.f May 06, 2024.

2. Mr. Selvin Uthaman was appointed as Chief Business Officer w.e.f June 8, 2024.

3. Mr. Rajeev Sinha, Executive Vice President – Operations resigned w.e.f. November 30, 2024.

4. Mr. Sharad Pathak tendered his resignation from the post of Company Secretary and Compliance Officer, w.e.f. closing hours of January 30, 2025 in compliance with advisory issued by National Housing Bank vide letter dated December 13 2024, regarding separation of the role of Company Secretary and Chief Compliance Officer and continued to hold his office as Chief Compliance Officer of the Company as per RBI notification dated April 11, 2022 on Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs and designated as Senior Management Personnel of the Company.

5. Mr. Saurabh Sharma was appointed as Company Secretary and Compliance Officer w.e.f. January 31, 2025.

p) Disclosure of certain types of arrangements binding listed entities

During the year under review, your Company entered into separate share sale agreements (collectively, "SPAs") with Aquilo House Pte. Ltd. ("Aquilo") and each of Lake District Holdings Limited, Partners Group ESCL Limited and Partners Group Private Equity (Master Fund), LLC, who are members of the promoters/ promoter group of the Company (collectively, "Sellers"). Pursuant to such SPAs, Aquilo has agreed to acquire in aggregate 2,09,49,112 equity shares of the Company from the Sellers constituting 26.47% of the paid-up share capital of the Company and control of the Company subject to the terms and conditions set out in the SPAs.

Aquilo is a Company incorporated under the laws of Singapore and belonging to the CVC Network. The CVC Network is a global alternative investment manager focused on private equity, credit, secondaries and infrastructure, consisting of CVC Capital Partners plc (a public limited Company whose shares are listed and admitted to trading on the Euronext Amsterdam Stock Exchange) and each of its subsidiaries, from time to time. The execution of the SPAs triggered an obligation of Aquilo to make an open offer to the public Shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Aquilo acquired 1,78,08,116 equity shares of the Company aggregating to 22.50% of paid-up share capital of the Company pursuant to the open offer from the public Shareholders. As on date, Aquilo is a public Shareholder of the Company.

Upon consummation of the SPAs in accordance with their terms, (i) Aquilo will acquire 2,09,49,112 equity shares of the Company constituting 26.47% of the paid-up share capital of the Company and acquire control of the Company; (ii) Aquilo shall become the promoter of the Company; and (iii) the existing members of the promoter and promoter group of the Company shall hold NIL shares of the Company and cease to be promoters/promoter group of the Company and be reclassified as public Shareholders of the Company.

Further there are no material changes and commitments affecting the financial positions of the Company, which have occurred after March 31, 2025 till the date of this report.

GENERAL SHAREHOLDERS INFORMATION

This section provides comprehensive details about the Company, including its shareholding pattern, information dissemination channels, service standards, share price movements, and other pertinent information, as required under point no. C (9) of Schedule V of the SEBI (LODR) Regulations, 2015 on Corporate Governance.

I. CORPORATE INFORMATION-

1.	Incorporation Date	February 23, 2011
2.	Registered Office Address	201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan)
3.	Corporate Identification Number ("CIN")	L65922RJ2011PLC034297
4.	Details of Annual General Meeting ("AGM")	Tuesday, September 16, 2025 at 3:30 P.M. Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility.
5.	Financial Year	April 01, 2024 to March 31, 2025
6.	Record Date	NA
7.	Date of Book closure	No Book Closure has been recommended by Board.
8.	Dividend Payment date	No Dividend has been proposed for the period under review.
9.	Listing on Stock Exchanges	The equity shares of the Company are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Limited ("BSE") on October 08, 2018. Non-Convertible Debentures ("NCDs") issued by the Company are listed on the Wholesale Debt Market ("WDM") segment of the BSE. Masala Bonds issued by the Company are listed on NSE IFSC Limited. The addresses of NSE, BSE and NSE IFSC Limited are given below: **NSE:** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai- 400051. **BSE:** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. **NSE IFSC Limited:** Unit No. 1202, Brigade International Financial Centre, 12th Floor Building No. 14-A Block No. 14, Road-1C Zone 1, GIFT SEZ, Gandhinagar – 382355
10.	Payment of listing fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE
11.	ISIN of Equity Shares	INE216P01012
12.	Suspension of Company's Securities	Company's securities are never suspended from trading since its listing.
13.	Registrar & Share Transfer Agent	**MUFG Intime India Private Limited** (Formerly known as Link Intime India Private Limited) C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6000, Fax: +91 22 49186060 Website: https://in.mpms.mufg.com/ Link for Email id registration: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html
14.	Plant Location	Since the Company is in the business of housing finance, the disclosure with regard to plant location is not applicable.
15.	Address for Correspondence Relating to grievances in relation to non-receipt of Annual Report, dividend and share certificates sent for transfer etc. including any requests/ intimation for change in address, issue of duplicate share certificates, change in nomination shall be sent to:	**MUFG Intime India Private Limited** (Formerly known as Link Intime India Private Limited) C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6000, Fax: +91 22 49186060 Website: https://in.mpms.mufg.com/ Email ID: Link for Email id registration: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html **Mr. Saurabh Sharma - Company Secretary and Compliance Officer** Aavas Financiers Limited Registered Office: 201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan) Tel: +91 141 465 9221 Email: investorrelations@aavas.in

16.	Outstanding Global Depository Receipts/American Depository Receipts/ Warrants and Convertible Bonds, conversion date and likely impact on equity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
17.	Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities	The Company does not deal in commodity and hence there is no commodity price risk. For managing the Foreign Exchange Risk and Hedging Activities, Company is having the Foreign Currency Risk Management Policy. Further, Company has fully hedged its borrowing liabilities denominated in foreign currency.
18.	Dematerialization of Shares and Liquidity	As of March 31, 2025 100% of the Company's shares are held in dematerialized form. The Company's shares are regularly traded on NSE and BSE.
19.	Share Transfer System	The Company's shares are traded under compulsory dematerialized mode and freely tradable. The Board has delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. Yearly certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) and 61(4) of the SEBI (LODR) Regulations, 2015 is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

II. RATINGS OF THE COMPANY-

CREDIT RATINGS

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. India's renowned Credit Rating Agencies have assigned ratings to the Company, the details of the same are mentioned below:

Rating Agencies	Long Term Bank Facilities	NCD Rating	Commercial Paper Rating/ Short Term Debt	Outlook
ICRA Limited	AA; Stable	AA; Stable	A1+	Stable/Positive
CARE Ratings Limited	AA; Stable	AA; Stable	-	Stable/Positive
India Ratings and Research Private Limited	-	-	A1+	-

ESG RATINGS

The Company has garnered notable recognition in the field of ESG practices, demonstrating its steadfast dedication to sustainability. The Company consecutively received the acclaimed 'Best Mid-Cap-Service Sector Award' at the Sustainability Reporting Awards, hosted by the ICAI for Excellence in Business Responsibility and Sustainability Reporting (BRSR). The Company's ESG ratings further illustrate its strong performance and commitment to sustainability metrics:

Rating Agencies	Ratings
CRISIL ESG Ratings & Analytics Limited	63 (Strong)
SES ESG Research Private Limited	77.8 (Medium)

The Company has not engaged with any ESG Rating Provider for rating. They have independently assigned the rating to the Company based on the Financial Year 2023-24 disclosures and other publicly available data. For more details on ESG ratings, kindly visit to website of the Company at link https://www.aavas.in/esg-ratings.

III. GENERAL MEETINGS/POSTAL BALLOT:

a) Details of past three Annual General Meetings held by the Company:

Financial Year	Category	Location of the Meeting	Date	Time
2023-24	14th AGM	201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Raj) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility	August 07, 2024	3:30 P.M(IST)
2022-23	13th AGM		July 19, 2023	3:30 P.M(IST)
2021-22	12th AGM		July 21, 2022	3:30 P.M(IST)

Special Resolutions taken up in the last three AGMs and passed with requisite majority are mentioned hereunder:

Day/Date of AGM	Details of Special Resolution passed
Wednesday, August 07, 2024	• To approve the re-appointment of Mrs. Soumya Rajan (DIN: 03579199) as an Independent Director of the Company. • To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act. • To approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. • To approve issuance of Non-Convertible Debentures, in one or more tranches on Private Placement Basis. • To approve the 'Aavas Financiers Limited - Performance Stock Option Plan- 2024' ("PSOP-2024")
Wednesday, July 19, 2023	• To approve the appointment of Mr. Sachinderpalsingh Jitendrasingh Bhinder (DIN: 08697657) as Director of the Company. • To approve the appointment of Mr. Sachinderpalsingh Jitendrasingh Bhinder (DIN: 08697657) as Managing Director of the Company. • To approve alteration in the Articles of Association of the Company. • To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act. • To approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. • To approve issuance of Non-Convertible Debentures, in one or more tranches / issuances on Private Placement Basis.
Thursday, July 21, 2022	• To reappoint Mr. Sandeep Tandon (DIN: 00054553) as an Independent Director of the Company. • To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act, 2013. • To approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. • To approve issuance of Non-Convertible Debentures, in one or more tranches/ issuances on Private Placement Basis. • To approve "Equity Stock Option Plan for Employees 2022" ("ESOP-2022") of Aavas Financiers Limited.

b) An Extra Ordinary General Meeting was held by the Company on March 28, 2025 through which following Special Resolutions were passed

i) To approve the alteration of the Articles of Association of the Company to increase the maximum number of Directors on the Board.

ii) To approve the alteration of the Articles of Association of the Company to include director nomination rights of promoter and relevant definitions.

iii) To approve the alteration of the Articles of Association of the Company to include director nomination rights of promoter on the Committees of the Board.

c) Details of Business transacted through Postal Ballot during the Financial Year 2024-25

During the Financial Year 2024-25, the Company did not pass any Special Resolution through Postal Ballot.

d) Details of Special Resolution proposed to be conducted through Postal Ballot

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM requires passing the resolution through Postal Ballot.

IV. DUE DATES FOR TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In terms of Section 125 of the Act, dividend lying unclaimed and unpaid for a period of seven years from the date of transfer to unpaid and unclaimed account is required to be transferred to the IEPF. Since the Company has not declared any dividend since inception, there is no dividend which is unclaimed pertaining to previous years and Financial Year under review. Hence, there is no requirement of transferring the same to the IEPF for the year under the review.

V. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025

Distribution of Shareholding based on Nominal Value (₹ 10/-) as on March 31, 2025 is as follows:-

Sr. No.	Category (Nominal Value of Shares)	No. of Holders	No. of Shares	% of Holders
1.	1 to 5000	1,34,122	46,92,058	98.88
2.	5001 to 10000	821	5,82,634	0.61
3.	10001 to 20000	294	4,13,884	0.22
4.	20001 to 30000	82	1,98,175	0.06
5.	30001 to 40000	48	1,65,035	0.03
6.	40001 to 50000	38	1,68,693	0.03
7.	50001 to 100000	67	4,68,142	0.05
8.	100001 to above	167	7,24,65,044	0.12
	Total	**1,35,639**	**7,91,53,665**	**100**

VI. SHAREHOLDING DETAILS AS ON MARCH 31, 2025

The Shareholding Pattern of the Company, as on March 31, 2025 is as follows: -

Sr. No.	Category	No. of Holders	No. of Shares	% of Holding
1.	Foreign Portfolio Investors (Corporate)	162	2,34,85,649	29.68
2.	Foreign Promoter Company	3	2,09,49,112	26.47
3.	Foreign Company	1	1,78,08,116	22.50
4.	Public (Public+KMP)	1,29,856	73,35,118	9.27
5.	Mutual Funds	52	62,79,531	7.93
6.	Insurance Companies	9	12,94,770	1.64
7.	Alternate Investment Funds	10	9,35,711	1.18
8.	Other Bodies Corporate	520	4,35,376	0.55
9.	Non Resident Indians	1,916	2,25,935	0.28
10.	Non Resident (Non Repatriable)	1,631	1,59,366	0.20
11.	Hindu Undivided Family	1,408	1,15,828	0.15
12.	Clearing Members	4	1,00,217	0.12
13.	Body Corporate - Limited Liability Partnership	57	25,168	0.03
14.	Trusts	7	3,662	0.00
15.	NBFCs registered with RBI	2	94	0.00
16.	Foreign Nationals	1	12	0.00
	Total	**1,35,639**	**7,91,53,665**	**100**

VII. MEANS OF COMMUNICATION

Your Company focuses on prompt, continuous and efficient communication to all its stakeholders. The Company has provided adequate and timely information to its member's inter-alia through the following means:

a) **Financial Results:** The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the leading newspapers viz Business Standard, Financial Express (English), Nafa Nuksan and Business Remedies (Hindi) and are also posted on the Company's website (www.aavas.in).

b) **Email:** Documents like Notices, Annual Reports, are sent to the Shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

c) **NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre (Listing Centre):** NEAPS and BSE Listing Centre are web based portals designed by NSE and BSE, respectively for corporates. All periodical and other compliance filings are electronically filed on these portals.

d) **Exclusive email id for investors:** The Company has designated the email id investorrelations@aavas.in exclusively for investor servicing, and the same is displayed on the Company's website at www.aavas.in.

e) **Website:** In compliance with Regulation 46 and 62 of the SEBI (LODR) Regulations, 2015 the Company has maintained a separate section i.e. 'Investor Relations' on the Company's website to redress the grievances of Investors and Company's Compliance Officer monitors this email constantly and providing all the announcements made by the Company, annual reports, results and policies of the Company.

f) **Investors/Analyst Meets:** The Company conducts calls/meetings with investors immediately after declaration of Financial Results to brief them on the performance of the Company. The Company also conducts one on one call and meeting with investors. During such meets, the Company only refers to publicly available information for discussions and no unpublished price sensitive information is shared with the investor/analyst.

g) **Presentations to institutional investors/analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's Quarterly, Half-Yearly as well as Annual Financial Results and sent to the Stock Exchanges. These presentations, video recordings and transcript of meetings are also made available on the website of the Company.

h) **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto through applicable modes. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

i) **SEBI Complaints Redressal System ("SCORES"):** Investor Complaints are processed at the SEBI centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports by the Company and online viewing by the investors of actions taken on the complaint and its current status.

OTHER DISCLOSURES

i) Secretarial Audit for Financial Year 2024-25

In accordance with Section 204 of the Act, M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No: P1988DE002500), were appointed as Secretarial Auditors for the Financial Year ended March 31, 2025. They have conducted an independent assessment of the Company's compliance with the Act, SEBI (LODR) Regulations, 2015 and all other applicable rules and regulations as part of the Secretarial Audit. The Secretarial Audit Report is included in the Annual Report as '**Annexure-3**' to the Directors' Report.

ii) Consolidated (Holding and its Subsidiary) total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part

Total fees of ₹ 154.69 lakhs for Financial Year 2024-25 for all services was paid by the Company on a standalone basis, to the Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part.

This amount includes fees for audit services, certifications, regulatory compliance reviews, and other professional engagements undertaken by the auditors in accordance with statutory requirements.

iii) Certification from Practicing Company Secretary

Pursuant to Regulation 34(3) of SEBI (LODR) Regulations 2015, Certificate from a Company Secretary in practice i.e. M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No: P1988DE002500) has been received stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/MCA or any such statutory authority. The same forms part of the Annual Report as **"Annexure-1"** to the Directors' Report.

iv) Accounting Standards

The Company has followed Indian Accounting Standards ("Ind AS") issued by the MCA in preparation of its Financial Statements.

v) Certificate from Practicing Company Secretary on Corporate Governance

As required under the SEBI (LODR) Regulations, 2015 certificate issued by M/s. Chandrasekaran Associates, Company Secretaries certifying that the Company has complied with the conditions of Corporate Governance as stipulated by SEBI (LODR) Regulations, 2015 is attached to this Corporate Governance Report as **"Annexure-B"** to this report.

vi) Details of Non-Compliance by the Company, penalties, and restrictions imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three Financial Years

BSE Limited imposed a penalty of ₹ 10,000 (Rupees Ten Thousand Only, excluding GST) on the Company under SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103, dated July 29, 2022, for the delay in submitting the intimation of the Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015 for the month ended October 2023. The Company has duly remitted the requisite fine to the Stock Exchange.

Apart from above, there has been no instance of non-compliance by the Company, neither any penalty and nor any restriction was imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the Financial Year 2024-25 and last three Financial Years.

vii) Details of Non-Compliance of the Requirements of Corporate Governance

There has been no instance of non-compliance of any requirement of the Corporate Governance.

viii) Directors and Officers ("D&O") Liability Insurance

In accordance with the provisions of the Act and Regulation 25(10) of the SEBI (LODR) Regulations, 2015 the Company has procured a D&O Liability Insurance policy on behalf of all Directors including Independent Directors and KMP to indemnify them against any liability arising from negligence, default, misfeasance, breach of duty, or breach of trust in relation to the Company.

The D&O Liability Insurance serves as a critical risk management tool, ensuring protection against legal claims that may be initiated by shareholders, employees, creditors, or regulatory authorities. It covers defense costs, settlements, and judgments, thereby safeguarding the personal assets of directors and officers while enabling them to discharge their fiduciary duties without undue concern over personal liability.

ix) CEO/ CFO Certification

Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company provide an annual certification to the Board of Directors, affirming the integrity of financial reporting and the effectiveness of internal controls, copy of which is attached to this Report as "**Annexure-C**".

x) Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements of Corporate Governance

In accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015 the Company has met all mandatory requirements. Additionally, it has voluntarily adopted the following discretionary measures as set forth in the SEBI (LODR) Regulations, 2015:

a) **Audit Qualification:** The Company's Financial Statements for the year under review have been free from audit qualifications, reflecting adherence to sound financial reporting standards and regulatory compliance. The Company continues to maintain a regime of unmodified audit opinions, ensuring that its financial disclosures remain transparent, accurate, and in line with applicable accounting principles.

b) **Reporting of Internal Auditor:** The Internal Audit function of the Company has been structured to ensure independent oversight and effective risk management. Unlike outsourced audit models, the Company has appointed a Head of Internal Audit internally, who directly reports to the Audit Committee of the Board. This governance framework strengthens internal controls, enhances financial discipline, and ensures compliance with regulatory requirements.

xi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement.

xii) Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015

The Board regularly reviews compliance with all applicable laws. The Company has met all mandatory

requirements of the Code of Corporate Governance, as stipulated under Regulations 17 to 27; clauses (b) to (i) of sub-regulation (2) of Regulation 46; and paragraphs C, D, and E of Schedule V of the SEBI (LODR) Regulations, 2015. A certificate confirming this compliance, issued by M/s. Chandrasekaran Associates, Company Secretaries, is attached to the Directors Report.

xiii) Disclosure with respect to Demat suspense account/unclaimed suspense account

As on March 31, 2025, the Company has no securities in demat or unclaimed suspense accounts resulting from public, bonus or rights issues. Consequently, there are no details regarding the aggregate number of Shareholders, outstanding securities in suspense accounts, or any related matters that require disclosure.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Date: April 24, 2025
Place: Mumbai

Annexure-A

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL

To,
The Members,
Aavas Financiers Limited
201-202, 2nd Floor, Southend Square,
Mansarover Industrial Area, Jaipur 302020,
Rajasthan, India

In accordance with Schedule V, Para D of the SEBI (LODR) Regulations, 2015 as amended from time to time, I, Sachinderpalsingh Jitendrasingh Bhinder, Managing Director and CEO of Aavas Financiers Limited hereby confirm that, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, as applicable to them, for the Financial Year 2024-25.

For **AAVAS FINANCIERS LIMITED**

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Date: April 24, 2025
Place: Mumbai

Annexure-B

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

To,

The Members,

AAVAS FINANCIERS LIMITED

201-202, 2nd Floor, Southend Square,

Mansarover Industrial Area, Jaipur-302020,

Rajasthan, India

We have examined all relevant records of Aavas Financiers Limited (**"the Company"**) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.:- 5715/2024

Dr. S. Chandrasekaran
Senior Partner
Membership No.1644
Certificate of Practice No.715
UDIN: F001644900186147

Date: April 24, 2025
Place: Delhi

Annexure-C

CEO AND CFO CERTIFICATION

(Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors,
Aavas Financiers Limited

We, Sachinderpalsingh Jitendrasingh Bhinder, Managing Director and Chief Executive Officer and Ghanshyam Rawat, President & Chief Financial Officer of Aavas Financiers Limited ("**the Company**") certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2025 and that to the best of our knowledge and belief:

   i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These results together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2025, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee:

   i) there has not been any significant changes in Internal Control over financial reporting during the period under reference;

   ii) there has not been any significant changes in accounting policies during the period under reference requiring disclosure in the notes to the Financial Statements; and

   iii) we are not aware of any instances of significant fraud with involvement therein, of the Management or an Employee having a significant role in the Company's Internal Control System over financial reporting.

For **AAVAS FINANCIERS LIMITED**

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Ghanshyam Rawat
President and Chief Financial Officer

Date: April 24, 2025
Place: Mumbai

Annexure-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To,
The Members,
Aavas Financiers Limited
201-202, 2nd Floor, South End Square Mansarover Industrial Area
Jaipur- 302020 (Rajasthan)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Aavas Financiers Limited (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2025 ('**Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2025 (**"Period under review"**) according to the provisions of:

(i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;

v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;

vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

viii. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not applicable to the Company during the Audit Period)**

(vi) The following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

(a) National Housing Bank (NHB) Act, 1987;

(b) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time;

(c) Master Direction – Know Your Customer (KYC) Direction, 2016;

(d) Master Direction- Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 and Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies);

(e) Master Circular – Returns to be submitted by Housing Finance Companies (HFCs);

(f) Guidelines and Regulations issued by Insurance Regulatory and Development Authority to the extent applicable;

(g) Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 as amended from time to time.

We have also examined compliance with the applicable clauses/Regulations of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;

ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations").**

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

a. The Company has obtained the approval of Shareholders in its Annual General Meeting held on August 07 2024, for:

i. Issuance of Non – Convertible Debentures in one or more tranches on Private Placement basis for an amount not exceeding ₹ 8,500/- Crore (Rupees Eight Thousand Five Hundred Crore only).

ii. 'Aavas Financiers Limited - Performance Stock Option Plan- 2024' ("PSOP-2024"), to create, offer, grant, issue and allot to the eligible employees of the Company not exceeding 4,00,000 (Four Lakh) options exercisable into not more than 4,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) each fully paid up.

b. The Nomination and Remuneration Committee of the Company has allotted 13,960 (Thirteen Thousand Nine Hundred Sixty) equity shares of ₹ 10/- (Indian Rupees Ten) each pursuant to exercise of equivalent number of Employee Stock Option under following plans:

i. Equity Stock Option Plan for Employees 2016-I: 1,875 equity shares of ₹ 10/- each;

ii. Equity Stock Option Plan for Employees 2016-I: 1,000 equity shares of ₹ 10/- each;

iii. Equity Stock Option Plan for Employees 2019: 1,200 equity shares of ₹ 10/- each;

iv. Performance Stock Option Plan 2023: 5,791 equity shares of ₹ 10/- each;

v. Equity Stock Option Plan for Employees 2016-I: 375 equity shares of ₹ 10/- each

vi. Performance Stock Option Plan 2023: 3,719 equity shares of ₹ 10/- each;

Considering the above said allotment of Equity shares, issued and paid-up capital of the Company stands increased to 7,91,53,665 Equity Shares of ₹ 10/- each.

c. The Company had issued and allotted following debt securities:

i. 63,000 (Sixty-Three Thousand) Rated, Listed, Senior, Unsubordinated, Secured, Transferable, Redeemable, Indian Rupee denominated Non-Convertible Debentures ("NCDs") having a face value ₹ 1,00,000 (Indian Rupees One Lakhs only) each aggregating up to ₹ 630/- Crore (Indian Rupees Six Hundred and Thirty Crore only) on Private Placement basis.

ii. 20,000 (Twenty Thousand) Senior, Secured, Rated, Listed, Transferable, Redeemable Non-Convertible Debentures ("NCDs") in two Series being Series

A of 10,000 (Ten Thousand) and Series B of 10,000 (Ten Thousand) having face value ₹ 1,00,000 (Indian Rupees One Lakh only) each, aggregating up to ₹ 200/- Crore (Indian Rupees Two Hundred Crore only) on Private Placement basis.

d. The Company has fully redeemed the following Non-Convertible Debentures of the following debenture holder:

i. International Finance Corporation amounting to ₹ 345,00,00,000.

e. Aavas Finserv Limited, the wholly owned subsidiary ("subsidiary") of the Company, which was under the process of voluntary liquidation has been dissolved vide order dated January 28, 2025 passed by the Hon'ble National Company Law Tribunal, Jaipur Bench ("NCLT") under Section 59 of the Insolvency and Bankruptcy Code, 2016.

f. (i) Lake District Holdings Limited (**"LDHL"**), Promoter of Company (ii) Partners Group ESCL Limited (**"PGEL"**), Promoters of Company & (iii) Partners Group Private Equity (Master Fund), LLC (**"PGPE"**) Promoter Group of Company (*LDHL, PGEL and PGPE collectively referred as '**Sellers**'*) and the Company entered into share sale agreements ('SPA') dated August 10, 2024 with Aquilo House Pte. Ltd. (**'Purchaser'**) wherein, the Purchaser has agreed to acquire in aggregate 2,09,49,112 equity shares of the Company from the Sellers, constituting 26.47% of the paid-up share capital of the Company, subject to necessary approvals.

Further, the Purchaser had made a mandatory open offer in accordance with the terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Open Offer") for acquiring up to 20,739,711 Equity Shares representing 26.00% of the paid-up share capital of the Company after obtaining requisite approvals.

Pursuant to SPA and Open offer, the Purchaser has acquired 17,808,116 equity shares. This represents 22.50% of the paid-up share capital of the Company on non-diluted basis as on March 31, 2025.

g. The Company has obtained the approval of Shareholders in its Extra Ordinary General Meeting held on March 28, 2025, for:

i. Alteration of the Articles of Association of the Company to increase the maximum number of Directors on the Board, subject to consents from lenders of the Company and Closing as defined in Share Sale Agreements executed on August 10, 2024, (*hereinafter referred as SPAs*) by and between Lake District Holdings Limited (**"LDHL"**), Promoter of Company (ii) Partners Group ESCL Limited (**"PGEL"**), Promoters of Company & (iii) Partners Group Private Equity (Master Fund), LLC (**"PGPE"**) Promoter Group of Company (*LDHL, PGEL and PGPE collectively referred as 'Sellers'*), the Company and Aquilo House Pte. Ltd. (**'Purchaser'**) having occurred.

ii. Alteration of the Articles of Association of the Company to include Director nomination rights of promoter and relevant definitions, with effect from the Closing Date as defined under the SPAs.

iii. Alteration of the Articles of Association of the Company to include Director nomination rights of promoter on the Committees of the Board, with effect from the Closing Date as defined under the SPAs.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.:- 5715/2024

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644G000186103

Date: April 24,2025
Place: New Delhi

Notes:

(i) This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.

(ii) We conducted the secretarial audit by examining records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

(iii) This Report is limited to the Statutory Compliances on laws/ regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year ended March 31, 2025.

ANNEXURE-A

To,
The Members,
Aavas Financiers Limited
201-202, 2nd Floor, South End Square Mansarover Industrial Area,
Jaipur- 302020 (Rajasthan)

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.:- 5715/2024

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644G000186103

Date: April 24, 2025
Place: New Delhi

Annexure-4

SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
Aavas Financiers Limited
201-202, 2nd Floor, Southend Square Mansarover Industrial Area,
Jaipur- 302020 Rajasthan

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Aavas Financiers Limited** (hereinafter referred as **'the listed entity'**), having its Registered Office at 201-202, 2nd Floor, Southend Square Mansarover Industrial Area, Jaipur – 302020 Rajasthan. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We Chandrasekaran Associates, Company Secretaries have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity,

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on March 31, 2025 (**"Review Period"**) in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 (**"SCRA"**), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India **("SEBI")**.

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations 2015"**);

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the review period**

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(h) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;

(k) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company) to the extent applicable.

We have examined the compliance of above regulations, circulars, guidelines issued thereunder as applicable during the review period and based on confirmation received from management of the Company as and wherever required and affirm that:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secreatries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of Board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/guidelines issued by SEBI.	Yes	
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website.	Yes	
4.	**Disqualification of Director:** None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies.	NA	The Company had identified and there were no Material Subsidiary Company of the Company during the review period.
	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every Financial Year/during the financial year as prescribed in SEBI Regulations.	Yes	
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	Yes	
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	N.A.	The Company has obtained the prior approval of Audit Committee for all Related Party transactions.
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	Yes	No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued hereunder except as provided under separate paragraph herein.
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/ circular/guidance note etc.	Yes	No non-compliance observed for all SEBI regulation/circular/guidance note etc.

Compliances related to resignation of Statutory Auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
1.	**Compliances with the following conditions while appointing/re-appointing an Auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter: or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter: or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	The statutory auditor has not resigned during the period, however, the term of the statutory auditor has been completed at the conclusion of 14th AGM held for FY 2024-25 and the Company after obtaining requisite approval from Shareholders appointed Joint Statutory Auditors.
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	NA	The statutory auditor has not resigned during the period, however, the term of the statutory auditor has been completed at the conclusion of 14th AGM held for FY 2024-25 and the Company after obtaining requisite approval from Shareholders appointed Joint Statutory Auditors.
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non- cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents, has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the Company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October 2019.	NA	The statutory auditor has not resigned during the period, however, the term of the statutory auditor has been completed at the conclusion of 14th AGM held for FY 2024-25 and the Company after obtaining requisite approval from Shareholders appointed Joint Statutory Auditors.

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Re- marks of the Practicing Company Secretary	Management Response	Remarks
NIL										

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2024	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	Delay in submission of the intimation of record date for part principal repayment of debenture bearing ISIN: INE216P07233 for the month ended October 2023	Delay in submission of the intimation of record date for part principal repayment of debenture bearing ISIN: INE216P07233 for the month ended October 2023	Intimation of record date in terms of Regulation 60 (2) of the SEBI LODR Regulations 2015	Delay in submission of the intimation of record date in terms of Regulation 60(2) of the SEBI LODR Regulations 2015 for part principal repayment of ISIN: INE216P07233 for the month ended October 2023	The Company had paid the penalty of ₹ 10,000/- (Rupees Ten Thousand Only) excluding GST as imposed by BSE Limited for the observed delay.	The observation was made in previous report issued for the Financial Year ended March 31, 2024. The Company has paid the prescribed penalty and We offer no further comments on the same.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.
5. This Report is limited to the Statutory Compliances on laws/ regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to financial year ended March 31, 2025.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
7. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

For Chandrasekaran Associates
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No: 5715/2024

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644G000186114

Date: April 24,2025
Place: New Delhi

Annexure-5

DIVIDEND DISTRIBUTION POLICY

I. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, [**"Listing Regulations"**] vide circular no. SEBI/LAD- NRO/GN/2016-17/008 dated 8th July, 2016; the Board of Directors of the Company at its meeting held on June 08, 2018 have approved and adopted the Dividend Distribution Policy [**"Policy"**] of the Company.

II. OBJECTIVE

This Policy aims to ensure that the Company makes rationale decision with regard to the amount to be distributed to the equity shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes.

This Policy lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/ declaration of Dividend to its shareholders.

III. DEFINITIONS

a. "Act" means the Companies Act, 2013 and rules made thereunder [including any amendments or re-enactments thereof].

b. "Applicable laws" shall mean to include Act and rules made thereunder, [including any amendments or re-enactments thereof], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any amendments or re-enactments thereof], Rules/ guidelines/notifications/circulars issued by Reserve Bank of India (RBI)/National Housing Bank (NHB) and any other regulation, rules, acts, guidelines as may be applicable to the distribution of dividend.

c. RBI Master Directions means Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

d. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.

e. "Company" shall mean Aavas Financiers Limited.

f. "Dividend" includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.

g. "Financial year" shall mean the period starting from 1st day of April and ending on the 31st day of March every year.

h. "Free reserves" shall mean the free reserves as defined under Section 2 (43) of the Act.

IV. PARAMETERS GOVERNING THE DISTRIBUTION OF DIVIDEND

1. Factors for recommendation/ declaration of Dividend.

a. Internal factors (Financial Parameters)

The Board shall consider the below mentioned financial parameters for the purpose of recommendation/declaration of dividend:

i. Current year's net operating profit;

ii. Capital expenditure and working capital requirements;

iii. Financial commitments w.r.t. the outstanding borrowings and interest thereon;

iv. Supervisory findings of the NHB on divergence in classification and provisioning for Non-Performing Assets (NPAs);

v. Qualifications in the Auditors' Report to the financial statements;

vi. Long term growth plans of the Company;

vii. Financial requirement for business expansion and/or diversification, acquisition of new businesses;

viii. Provisioning for financial implications arising out of unforeseen events and/ or contingencies;

ix. Past dividend trend;

x. Cost of borrowings;

xi. Other Corporate Action options (For ex. Bonus issue, Buy back of shares); and

xii. Any other factor as deemed fit by the Board.

b. External Factors

The Board shall also consider the below mentioned external factors at the time of taking a decision w.r.t recommendation/declaration of dividend:

i. Applicable laws and Regulations including taxation laws;

ii. Economic conditions; and

iii. Prevalent market practices of dividend payment in similar industry.

The Board shall ensure that the total dividend proposed for the financial year does not exceed the ceilings specified in this Policy.

c. Minimum prudential requirements prescribed by the RBI

The Company shall comply with the following minimum prudential requirements to be eligible to declare dividend:

Sr. No	Parameter	Requirement
1	Capital Adequacy	The Company have met the applicable regulatory capital requirement as defined under Paragraph 6 of RBI Master Directions for each of the last three financial years including the Financial Year for which the dividend is proposed.
2	Net NPA	The net NPA ratio is less than 6 per cent in each of the last three years, including as at the close of the Financial Year for which dividend is proposed to be declared.
3	Other criteria	i. The Company is complied with the provisions of Section 29 C of the National Housing Bank Act, 1987. ii. The Company is complied with the prevailing regulations/ guidelines issued by the Reserve Bank. iii. The NHB has not placed any explicit restrictions on declaration of dividend.

d. Quantum of Dividend Payable

The Company eligible to declare dividend as per paragraph c above, may pay dividend, subject to the following:

a. The Dividend Payout Ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the Financial Year for which the dividend is proposed;

b. Proposed dividend shall include both dividend on equity shares and compulsorily convertible preference shares eligible for inclusion in Tier 1 Capital;

c. In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/ income or the financial statements are qualified (including 'emphasis of matter') by the statutory auditor that indicates an overstatement of net profit, the same shall be reduced from net profits while determining the Dividend Payout Ratio; and

d. The Maximum dividend payout ratios for the Company to declare dividend is 50%.

2. Circumstances under which the Shareholders of the Company may or may not expect dividend.

The decision to recommend/declare the dividend by the Board of Directors shall primarily depend on the factors listed out at point no. 1 above. The decision seeks to balance the dual objectives of appropriately rewarding Shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. However, the Shareholders of the Company may not expect dividend in the below mentioned circumstances:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital;

ii. In the event of higher working capital requirement for business operations or otherwise;

iii. In the event of inadequacy of cash flow available for distribution;

iv. In the event of inadequacy or absence of profits;

v. Under any other circumstances as may be specified by the Companies Act, 2013 or any other applicable regulatory provisions or as may be specified under any contractual obligation entered into with the lenders; and

vi. any other circumstances as may be decided by the Board depending upon the situation at that time.

The Board of Directors, while considering the proposals for dividend, shall take into account each of the following aspects:

a. Supervisory findings of the National Housing Bank (NHB) on divergence in classification and provisioning for Non-Performing Assets (NPAs);

b. Qualifications in the Auditors Report to the financial statements; and

c. Long term growth plans of the HFC.

3. Manner of utilization of Retained Earnings

The Board of Directors of the Company may recommend/declare dividend out of the profits of the Company or out of the profits for any previous Financial Year or years or out of free reserves available for distribution of dividend, as per the regulatory provisions after consideration of the factors as stated at point no. 1 above. The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

4. Manner of Declaration and Payment of Dividend

4.1 Process for approval of Payment of Final Dividend:

Board to recommend quantum of final dividend payable to Shareholders in its meeting in line with applicable laws and rules prescribed thereof, based on the profits arrived at as per the audited financial statements and post Shareholders approval for Dividend in the Annual General Meeting, the same shall be paid to the eligible Shareholders within stipulated timelines as per applicable laws.

4.2 Process for approval of Payment of Interim Dividend:

Board may declare Interim Dividend, one or more times in a Financial Year, at its complete discretion in line with applicable laws and rules prescribed thereof, out of the surplus in the profit and loss account or out of profits of the Financial Year for which such interim dividend is sought to be declared or out of profits generated in the Financial Year till the quarter preceding the date of declaration of the interim dividend.

The Board shall consider the financial results of the Company for the period for which Interim Dividend is to be declared and shall be satisfied that the financial position of the Company justifies and supports the declaration of such Dividend.

The financial results shall take into account the following-

a) Depreciation for the full year;

b) Tax on profits of the Company including deferred tax for full year;

c) Other anticipated losses for the Financial Year;

d) Dividend that would be required to be paid at the fixed rate on preference shares; and

e) The Losses incurred, if any, during the current Financial Year up to the end of the quarter, immediately preceding the date of declaration of Interim Dividend.

The declaration of Interim Dividend is subject to the compliance of condition mentioned in Clause IV- Parameters governing the distribution of dividend.

5. Other factors to be considered with regard to various classes of shares.

Since the Company has only one class of equity Shareholders, the dividend declared will be distributed equally among all the equity Shareholders, based on their shareholding on the record date.

V. GENERAL

i. Pursuant to the provisions of Section 123 of the Act, Articles of Association of the Company and this Policy, the Board of Directors shall recommend the final dividend, which shall be declared by the Shareholders of the Company at the Annual General Meeting. The Board may also, from time to time, declare Interim Dividend which shall be subject to confirmation by the Shareholders at the Annual General Meeting.

ii. The Company shall ensure compliance with the Applicable laws w.r.t. payment of dividend to the Shareholders. It shall ensure that the amount of the dividend, including Interim Dividend, is deposited by the Company in a Scheduled bank in a separate

account within five days from the date of declaration of such dividend.

iii. Due regard shall be given to the restrictions/ covenants contained in any agreement entered into with the lenders of the Company or any other financial covenant as may be specified under any other arrangement/ agreement, if any, before recommending or distributing dividend to the Shareholders.

VI. REPORTING SYSTEM

The Company on declaring dividend shall report details of dividend declared during the Financial Year as per the format prescribed in Annexure I. The report shall be furnished within a fortnight after declaration of dividend to the Department of Supervision of NHB.

VII. DISCLOSURES

The Company shall make appropriate disclosures in compliance with the provisions of the Listing Regulations, in particular the disclosures required to be made in the Annual Report and on the website (www.aavas.in) of the Company.

In case, the Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such changes along with the rationale in the Annual Report and on its website.

VIII. REVIEW AND UPDATES

This Policy will be reviewed periodically as and when required and annually by the Board of the Company. Further the Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /Regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ Regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure-6

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries or Associate Companies or Joint Ventures

PART A:- SUBSIDIARIES

(₹ In lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Aavas Finserv Limited
2.	The date since when subsidiary was acquired	NA
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
5.	Share capital	Nil
6.	Reserves and surplus	Nil
7.	Total assets	Nil
8.	Total liabilities	Nil
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	Nil
12.	Provision for taxation	Nil
13.	Profit after taxation	Nil
14.	Proposed Dividend	Nil
15.	Extent of shareholding (in percentage)	Nil

Notes:-

1. Names of subsidiaries which are yet to commence operations: - NIL
2. Names of subsidiaries which have been liquidated or sold during the year: - Aavas Finserv Limited voluntarily dissolved following the order passed by the Hon'ble National Company Law Tribunal on January 28, 2025.

PART B:- ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Since the Company does not have any Associate Company or Joint venture, the disclosure under this section is not applicable.

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Ghanshyam Rawat
President and Chief Financial Officer

Saurabh Sharma
Company Secretary and Compliance Officer
(ACS: 60350)

Date: April 24, 2025
Place: Mumbai

Annexure – 7

FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangement or transactions entered into during the Financial Year ended March 31, 2025, which were not at arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis.

The below contracts or arrangements are not material and are at arm's length basis, however it is disclosed voluntarily:

Sr. no	Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient terms of the Contract or Arrangement or Transactions including the value, if any	Date(s) of Approval by the Board	Amount received/ paid as advance, if any
1	*Perfios Software Solutions Private Limited, Private Company in which Director of the Company is Director	Service Agreement	3 years	1. Agreement Date: Oct 06, 2022 2. Service Agreement for Insight Statement upload API and Insight generate Link API. 3. The Company will pay consideration as set out in the agreement. 4. The transaction is at arm's length basis and in the ordinary course of business. Further, there is no other conflict of interest in the said transaction.	Oct 26, 2023	Nil

*The Company had executed an agreement with Perfios Software Solutions Private Limited on October 06, 2022 and following the appointment of Mr. Kartikeya Dhruv Kaji on the Board of Perfios Oct 19, 2023, it became related party. Mr. Kartikeya Dhruv Kaji has resigned from the Board of the Company w.e.f. May 21, 2024. Mr. Nishant Sharma was appointed on the Board of Perfios Software Solutions Private Limited w.e.f. June 03, 2024, therefore, Perfios remains a related party.

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Date: April 24, 2025
Place: Mumbai

Annexure-8

PARTICULARS OF EMPLOYEES

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement of disclosure of Remuneration under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	REQUIREMENTS	DISCLOSURE	
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year.	**Executive Director**	
		Mr. Sachinderpalsingh Jitendrasingh Bhinder:	60.50 X
		Non- Executive Directors	
		Mr. Sandeep Tandon: Mrs. Kalpana Kaushik Mazumdar: Mrs. Soumya Rajan: Mr. Ramachandra Kasargod Kamath: Mr. Vivek Vig:	5.46 X 5.46 X 5.46 X 5.46 X 5.46 X
		Note: Mr. Manas Tandon, Mr. Nishant Sharma and Mr. Rahul Mehta, Promoter Nominee Directors of the Company, have not taken any remuneration during the Financial Year 2024-25.	
2.	The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the Financial Year.	**Directors** Mr. Sachinderpalsingh Jitendrasingh Bhinder (MD & CEO): Mr. Sandeep Tandon (Independent Director): Mrs. Kalpana Kaushik Mazumdar (Independent Director): Mrs. Soumya Rajan (Independent Director): Mr. Ramachandra Kasargod Kamath (Nominee Director): Mr. Vivek Vig (Nominee Director):	 22.56% 25.00% 25.00% 25.00% 25.00% 25.00%
		Key Managerial Personnel's (KMP's) other than Directors Mr. Ghanshyam Rawat (President and CFO): Mr. Ashutosh Atre (President and CRO): *Mr. Saurabh Sharma (CS and CO):	 7.09% 3.43% -
3.	The percentage increase/ (decrease) in the Median Remuneration of Employees in the Financial Year	5%	
4.	No. of Permanent Employees on the Rolls of the Company.	7233	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase in the remuneration of all employees (other than KMP's): *The average percentage increase in the remuneration of KMP's: Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.	8.58% 41%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the Remuneration Policy of the Company.	

*Mr. Saurabh Sharma was appointed as Company Secretary and Compliance Officer w.e.f January 31, 2025, remuneration received in Financial Year 2025 as KMP (for part of the year) is not comparable with remuneration for Financial Year 2024 and hence not stated. Further, he was not counted for calculating average increase in remuneration of KMP's.

Notes:

1. Median remuneration has been calculated for permanent employees who were in employment for the whole of Financial Year 2023-24 and Financial Year 2024-25.

2. Calculations of remuneration have been made on comparable and annualized basis.

3. The remuneration of KMP's was taken from the Audited Financial Statements for Financial Year 2024-25.

4. Remuneration comprises of salary (fixed and variable), allowances, perquisites/ taxable value of perquisites but doesn't include perquisite value of ESOPs exercised.

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Date: April 24, 2025
Place: Mumbai

DISCLOSURES OF EMPLOYEES PURSUANT TO SUB RULE 2 & 3 OF RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Employee Name	Designation	Nature of Employment	Qualification	Age (in years)	Total Experience (in years)	Previous Employer	Date of Joining	Remuneration received (₹ In lakhs)	Percentage of equity shares held (in %)	whether any such employee is a relative of any director (if yes please provide)
1.	Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and CEO	Contractual	B.E. Chemical, MBA (Marketing & Finance)	52	27	Kotak Mahindra Bank Limited	02-Feb-23	332.24	0.00	No
2.	Mr. Ghanshyam Rawat	President and Chief Financial Officer	Permanent	Chartered Accountant and Bachelor of Commerce	57	28	First Blue Home Finance Limited	01-Jun-14	289.53	0.82	No
3.	Mr. Anshul Bhargava	Chief People Officer	Permanent	Certification in Business Management from IIM Calcutta	59	35	Power System Operation Corporation Limited	07-May-22	226.40	0.00	No
4.	Mr. Ashutosh Atre	President and Chief Risk Officer	Permanent	Diploma in finance from SVKM's NMIMS University and diploma in mechanical engineering from M.P. Board of Technical Education, Bhopal	55	34	Equitas Housing Finance Private Limited	14-May-14	222.70	0.13	No
5.	Mr. Surendra Kumar Sihag	Chief Collection Officer	Permanent	Bachelor of arts and LLB degree - both from University of Rajasthan and Master of Business Administration from the Periyar University	52	22	Bajaj Finance Limited	02-Jan-17	220.96	0.04	No
6.	Mr. Ripudaman Bandral	Chief Credit Officer	Permanent	Masters in Finance & Control from Punjabi University, Patiala.	51	28	Indiabulls Housing Finance Limited	01-Jun-21	218.72	0.00	No
7.	Mr. Rajaram Balasubramaniam	Chief Strategy Officer and Head of Analytics	Permanent	Chartered Accountant and Bachelor of Commerce	48	22	Citibank	24-Nov-21	215.61	0.00	No
8.	Mrs. Jijy Oommen	Chief Technology Officer	Permanent	Computer Science graduate with M.Tech from Birla Institute of Technology & Science, Pilani, and MBA from SMU and PMP from Project Management Institute –USA.	47	26	Kinara Capital Private Limited	12-Apr-21	177.11	0.00	No

Sr. No.	Employee Name	Designation	Nature of Employment	Qualification	Age (in years)	Total Experience (in years)	Previous Employer	Date of Joining	Remuneration received (₹ In lakhs)	Percentage of equity shares held (in %)	whether any such employee is a relative of any director (if yes please provide)
9.	Mr. Rajeev Sinha*	Ex. Vice President-Operations	Permanent	B.Sc. and Certified in Management of Customer Relationship from IIM Ahmedabad (EE)	47	23	Indiabulls Housing Finance Limited	4-May-16	128.66	0.00	No
10.	Mr. Ramachandran Venkatesh	Head of Internal Audit	Permanent	Post Graduate (MA History) JNU & Graduate - History Hons Sri Venkateshwara College Delhi University	51	27	Aditya Birla Finance Limited	17-July-22	127.10	0.00	No

Notes:

1. *Resigned w.e.f. August 16, 2024. Remuneration includes salary, bonus for the FY 2023-2024, gratuity and was in receipt of remuneration, at a rate which, in the aggregate, was not less than ₹ 8.50 lakhs per month for part of the year.
2. Remuneration comprises of salary (fixed and variable), allowances, perquisites/ taxable value of perquisites but doesn't include perquisite value of ESOPs exercised.
3. No employee of the Company, employed throughout the Financial Year 2024-25 or part thereof, was in receipt of remuneration, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, more than 2% of the Equity Shares of the Company.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Date: April 24, 2025
Place: Mumbai

Annexure-9

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company is committed to creating a meaningful impact on society and the environment through diverse and inclusive CSR initiatives. These efforts are designed not only to fulfill legal obligations but also to genuinely uplift communities, empower individuals, and protect natural resources. In addition to promoting social equity, the Company emphasizes sustainability and environmental responsibility.

The Company's CSR initiatives are designed to deliver meaningful change across various dimensions of community welfare. Key focus areas include Environment, Health, Education, Rural Development. By operating across multiple sectors, the Company aims to drive holistic growth. Every initiative is carefully curated to address the needs of specific stakeholders, with a clear focus on measurable outcomes and long-term benefits. Transparency and accountability are ensured through regular monitoring, evaluation, and reporting mechanisms.

In compliance with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act"), the Company has in place CSR Policy describing the scope of the activities to be undertaken by the Company to achieve the greatest possible impact. Each CSR initiative is meticulously planned and executed with a specific focus on the intended beneficiaries. The Company's CSR initiatives are either directly carried out through projects managed by project management teams, through its foundation, or in collaboration with reliable implementation agencies.

Accordingly, to promote its CSR Vision and implement social initiatives in a more collaborative and participatory manner, the Company has established '**Aavas Foundation' ("The Foundation")**.

2. COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE:

Sr. No.	Name of Director	Designation/ Category	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1.	*Mr. Rahul Mehta	Chairperson (Non-Executive Promoter Nominee Director)	3	2
2.	Mrs. Kalpana Kaushik Mazumdar	Member (Independent Director)	3	3
3.	Mr. Vivek Vig	Member (Non-Executive Nominee Director)	3	3
4.	Mr. Sachinderpalsingh Jitendrasingh Bhinder	Member (Executive Director)	3	3
5.	**Mr. Kartikeya Dhruv Kaji	Chairperson (Non-Executive Promoter Nominee Director)	3	1

* appointed as Chairperson & Member w.e.f. May 21, 2024

** ceased to be Chairperson w.e.f. May 21, 2024

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR & ESG COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

(i) The composition of CSR & ESG Committee is available at https://www.aavas.in/corporate-social-responsibility.

(ii) The CSR Policy of the Company is available at https://www.aavas.in/corporate-social-responsibility.

(iii) The CSR projects approved by the Board: https://www.aavas.in/img/pdf/csr-approved-projects-2024-25.pdf.

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES 2014, IF APPLICABLE.: N/A

5. a) Average net profit of the Company as per sub-section (5) of section 135.

₹ 54,296.60 lakhs

b) Two percent of average net profit of the Company as per sub-section (5) of section 135.

₹1085.93 lakhs

c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years.

NO

d) Amount required to be set off for the Financial Year, if any.

₹ 31.34 lakhs

e) Total CSR obligation for the Financial Year [(b)+(c)-(d)].

₹ 1054.59 lakhs

6. a) Amount spent on CSR projects (both ongoing project and other than ongoing project).

₹ 1080.50 lakhs

b) Amount spent in administrative overheads.

₹ 31.29 lakhs

c) Amount spent on impact assessment, if applicable.

NO

d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹ 1111.79 lakhs

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1111.79	N/A	N/A	N/A	N/A	N/A

f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub–section (5) Section 135	₹ 1054.59
(ii)	Total amount spent for the Financial Year	₹1111.79
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 57.20
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N/A
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 57.20

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in lakhs)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in lakhs)	Amount Spent in the Financial Year (in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in lakhs)	Date of Transfer		
1	FY-1 2021-22	48.43	0	0	0	0	0	0
2	FY-2 2022-23	0	0	48.43	0	0	0	0
3	FY-3 2023-24	0	0	0	0	0	0	0

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

● Yes ○ No

If Yes, enter the number of Capital assets created/ acquired 4

The details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	CSR Registration Number, if applicable	Name	Registered Address
1.	Educational and Cultural Hall at Harekrishna Movement Jaipur, C-6 to C-11, Mahal Yojna, Jagatpura, Jaipur	302017	23-08-2024	62,50,000	CSR00002414	Harekrishna Movement Jaipur	C-6 to C-11, Mahal Yojna, Jagatpura, Jaipur, Rajasthan-302017
2.	02 Nos. of Maruti Eeco Ambulance Shell 1.2L 5MT-VRMPEH1 at Rajasthan Medicare Relief Society, SMS Hospital, Jaipur, Rajasthan	302004	17-02-2025	15,98,694	CSR00009060	Rajasthan Medicare Relief Society	Rajasthan Medicare Relief Society, SMS Hospital, Jaipur, Rajasthan-302004

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	**CSR Registration Number, if applicable**	**Name**	**Registered Address**
3.	01 Nos. of Maruti Eeco Ambulance Shell 1.2L 5MT-VRMPEH1	456006	28-02-2025	7,65,452	Not Applicable (It's a public authority)	District Hospital Ujjain	The Civil Surgeon Cum Chief Hospital Superintendent, District Hospital Ujjain, Agar Road, Ujjain, Madhya Pradesh- 456006

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135.

N/A

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sachinderpalsingh Jitendrasingh Bhinder
Managing Director and CEO
(DIN: 08697657)

Rahul Mehta
Promoter Nominee Director and
Chairperson of CSR and ESG Committee
(DIN: 09485275)

Nishant Sharma
Promoter Nominee Director
(DIN: 03117012)

Date: April 24, 2025
Place: Mumbai

Annexure-10

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. OBJECTIVE OF POLICY

The Board of Directors (''the Board'') of Aavas Financiers Limited (hereinafter referred to 'the Company' or 'AFL'), in pursuance of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and other applicable provisions, as amended from time to time, has adopted Related Party Transaction Policy (''this policy'') to regulate the transactions between the Company and its Related Parties. The Board of Directors (the "Board") further recognizes that transaction with related party(s) could raise conflicts of interest and therefore has adopted this policy to be followed in connection with all related party transactions involving the Company. All Transactions with Related Party shall be subject to review and approval in accordance with the procedures set forth below, inter-alia, the provisions of applicable laws.

2. DEFINITIONS

Unless the term(s) otherwise defined, the following terms shall have the following meaning assigned to them wherever appearing in the policy:

i) **"Applicable Laws"** includes (a) the Companies Act, 2013 ('the Act') and rules made thereunder; (b) the SEBI LODR Regulations (c) Accounting Standards (d) National Housing Bank (NHB) Act, 1987, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India (RBI) and Notifications issued by RBI/NHB from time to time and (e) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

ii) **"Arm's length transaction"** shall mean transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. (Explanation to Section 188(1) of Act).

iii) **"Audit Committee"** means the committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder and SEBI LODR.

iv) **"Control"**

a) ownership, directly or indirectly, of more than one half of voting power of an enterprise; or

b) control of the composition of the board of directors in the case of a Company or of the composition of the corresponding governing body in case of any other enterprise; or

c) A substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

v) **"Key Managerial Personnel" or ("KMP")** shall have the meaning as defined in the Act.

vi) **"Material Modification"** shall mean a 10% or more increase/decrease in the original value/ consideration of any Related Party Transaction which was approved by the Audit Committee/Shareholders of the Company, as the case may be.

vii) **Material Related Party Transaction** means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding anything contained above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceed Five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

viii) **Omnibus approval**

In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company and on

Arm's length basis, the Independent Directors of the Audit Committee may grant an omnibus approval for such Related Party Transactions proposed to be entered into by Company / AFL, subject to the following conditions, namely-

(a) the audit committee shall, after obtaining approval of Board, lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the entity and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need and justification for such omnibus approval and that such approval is in the interest of the entity;

(c) the omnibus approval shall specify:

(i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered;

(ii) the indicative base price / current contracted price and the formula for variation in the price if any;

(iii) such other conditions as the audit committee may deem fit: Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction; and

(iv) such other conditions as may be specified by the law from time to time.

(d) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given;

(e) Such omnibus approvals shall be valid for a period not exceeding one Financial Year and shall require fresh approvals after the expiry of one Financial Year; and

(f) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

However, Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23 (1) of SEBI (LODR), Regulations, 2015.

Where the need for proposed Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction;

In case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

Ratification of transactions by Audit Committee:

The members of the audit committee, who are Independent Directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

(i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a Financial Year shall not exceed rupees one Crore;

(ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;

(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation; and

(v) any other condition as specified by the audit committee.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

ix) "Related Party"

In relation to the Company, means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

"Provided that:

a) any person or entity forming a part of promoter or promoter group of the Company or

b) Any person or any entity holding equity shares of

(i) 20% or more or

(ii) 10% or more (with effect from April 01, 2023)

in the Company either directly or on beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year Shall be deemed to be a related party."

x) "Related Party Transaction" (hereinafter referred as "RPTs")

As per SEBI (LODR), "Related Party Transaction" means a transaction involving a transfer of resources, services or obligations between:

(i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or

(ii) Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, (with effect from April 1, 2023);

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Exemptions ("Transactions not to be considered as Related Party Transactions")

Provided that the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the Company which are uniformly applicable/offered to all Shareholders in proportion to their shareholding:

(i) payment of dividend;

(ii) subdivision or consolidation of securities;

(iii) issuance of securities by way of a rights issue or a bonus issue; and

(iv) buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all Shareholders/ public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.

As per the Act, related party transaction will include following specific transactions:

i) sale, purchase or supply of any goods or materials;

ii) selling or otherwise disposing of, or buying, property of any kind;

iii) leasing of property of any kind;

iv) availing or rendering of any services;

v) appointment of any agent for purchase or sale of goods, materials, services or property;

vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and

vii) Underwriting the subscription of any securities or derivatives thereof, of the Company.

xi) Relative

In terms of Section 2(77) of the Act read with the rules prescribed therein.

xii) **"Transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.

xiii) **"Undertaking"** shall mean an undertaking in which the investment of the Company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding Financial Year or an undertaking which generates twenty per cent of the total income of the Company during the previous Financial Year.

3. PROCEDURES

3.1 Audit Committee

3.1.1 Each of AFL directors and KMPs are instructed to inform the Company Secretary or Management of the Company of any potential Related Party transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. All such transactions will be analysed by the Audit Committee in consultation with management to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

3.1.2 All related party transactions and subsequent material modifications shall require approval of those members of the Audit Committee who are Independent Directors irrespective of the RPT being in ordinary course of business or arm length basis.

3.1.3 Prior approval of the Audit Committee shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and regulation 15(2) of the SEBI LODR Regulations, are applicable to such listed subsidiary. For such Related Party Transactions, the prior approval of the audit committee of the listed subsidiary shall suffice.

3.1.4 The Audit Committee shall review the status of long term (more than one year) or recurring Related Party Transactions on an annual basis.

3.1.5 To review a Related Party Transaction, the Audit Committee shall be provided with the following information:

a) Type, material terms and particulars of the proposed transaction;

b) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);

c) Tenure of the proposed transaction (particular tenure shall be specified);

d) Value of the proposed transaction;

e) The percentage of the Company's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided;

f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:

(i) details of the source of funds in connection with the proposed transaction;

(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:

- nature of indebtness;
- cost of funds; and
- tenure

(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;

(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction;

g) Justification as to why the Related Party Transaction is in the interest of the Company;

h) A copy of the valuation or other external party report on which the management has been relied upon for the transaction(s);

i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis; and

j) Any other information that may be relevant.

3.1.6 The Related Party Transactions which are not in the ordinary course of business and/ or not at arm's length will be reviewed by the Audit Committee and then recommended to the Board of Directors for its approval or recommending to the Shareholders' of Company for their approval.

3.1.7 If a Related Party Transaction is ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee shall periodically review and assess ongoing relationships with the Related Party.

3.1.8 The Committee may also disapprove of a previously entered Related Party Transaction and may require that management of the Company take all reasonable efforts to terminate, unwind, cancel or annul the Related Party Transaction.

3.1.9 A Related Party Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

3.1.10 The Committee may decide to get advice, certification, study report, transfer pricing report, rely upon certification issued as per the requirement of other laws etc. from a professional (includes statutory / internal Auditors) or technical person including price discovery process, to review transactions with Related Party.

3.1.11 Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction. However, the Chairperson of the Committee may allow participation of such member in some or all of the Committee's discussions of the Related Party Transaction.

3.1.12 The Audit Committee may review any previously approved or ratified Related Party Transaction that is continuing and determine based on then-existing facts and circumstances, including the Company's existing contractual or other obligations, if it is in the best interests of the Company to continue, modify or terminate the transaction.

3.1.13 A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a Financial Year exceeds:

(i) 10% of the annual consolidated turnover, as per the last audited financial statements of the Company

(ii) 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary (with effect from April 01, 2023)

Provided that the aforesaid approval shall not be required if Regulation 23 and Regulation 15 (2) of SEBI (LODR) Regulations, 2015 are applicable on the subsidiary of the Company.

3.2 Board of Directors

3.2.1 Approval of the Board shall not be required for the RPTs to be entered into in ordinary course of business and at arm's length basis.

3.2.2 All related parties with whom the Company intends to enter into transaction as recommended by Audit Committee and which are other than in ordinary course of business or arm length basis, will require prior approval of the Board of Directors.

3.2.3 The Board of Directors shall review and recommend all transactions in terms of section 188(1) requiring Shareholders' prior approval.

3.2.4 Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter

of the resolution relating to such contract or arrangement.

3.2.5 Following minimum information would be placed before the Board for enabling the Board to consider and approve the Related Party relationship;

- The Name of the Related Party and nature of relationship;
- The nature, duration and particulars of the contract or arrangement;
- The material terms of the contract or arrangement including the value, if any; Any advance paid or received for the contract or arrangement, if any;
- The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
- Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

4. APPROVAL OF SHAREHOLDERS

4.1 The contracts or agreements with any Related Party which are not in the ordinary course of business and not at arm's length in respect of transactions specified in section 188(1) of the Companies Act, 2013, will require prior approval of the Shareholders by a resolution.

4.2 For the purposes of first proviso to sub-section (1) of Section 188 of Act, except with the prior approval of the Company by a resolution, a Company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into:-

4.2.1 as contracts or arrangements with respect to clauses (a) to (e) of sub-Section (1) of section 188 of Act, with criteria as mention below:-

i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of Act;

ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of turnover of the Company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of Act;

iii) leasing of property any kind amounting to ten percent or more of the turnover of the Company, as mentioned in clause (c) of sub-section (1) of section 188 of Act; and

iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of Act.

4.2.2 is for appointment to any office or place of profit in the Company, its subsidiary Company or associate Company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of Section 188 of Act.

4.2.3 is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of Section 188 of Act.

4.3 All material related party transactions and subsequent material modifications will require prior shareholders' approval and no related party shall vote to approve such resolution in terms of applicable laws as on date of such approval.

Provided that the aforesaid prior approval of shareholders will not be required if the provisions of Regulation 23 and Regulation 15 (2) of the SEBI LODR Regulations, 2015 are applicable on the listed subsidiary.

4.4 The explanatory statement to be annexed to the notice of general meeting in this regards shall contain following particulars, inter-alia:

i. name of the related party;

ii. name of the director or key managerial personnel who is related, if any;

iii. nature of relationship;

iv. nature, material terms, monetary value and particulars of the contract or arrangement;

v. any other information relevant or important for the members to take a decision on the proposed resolution;

vi. A summary of the information provided by the management of the Company to the Audit Committee, as is required under this Policy;

vii. Justification for why the proposed transaction is in the interest of the Company;

viii. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary;

ix. details of the source of funds in connection with the proposed transaction;

x. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:

- nature of indebtedness;
- cost of funds and;
- tenure;

xi. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;

xii. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction;

xiii. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;

xiv. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction, on a voluntary basis; and

xv. Any other information that may be relevant.

In such a case as mentioned above, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction whether such entity is a Related Party to the particular transaction or not.

This requirement for shareholders' approval shall not apply in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. DISCLOSURE

Each director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors except remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure if same is not material transaction.

6. REPORTING

Particulars of RPTs shall be disclosed in such manner as may be prescribed under the applicable laws and/or the Act (including rules made thereunder), from time to time. Except, the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under regulation 23 (9) provided that the same is not material in terms of regulation 23 (1).

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

7. REVIEW OF POLICY

The Board shall review the policy at least once in three years and at such interval as may be approved by the Board in line with the applicable law.

8. ADMINISTRATIVE MEASURES

Audit Committee / Board shall institute appropriate administrative measures to provide that all Related Party Transactions are not in violation of, and are reviewed in accordance with, these Policies and Procedures.

The Audit Committee / Board as applicable, shall evaluate such transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction.

In connection with such evaluation and review of the Related Party Transaction, the Audit Committee / Board

as applicable, shall have the authority to modify or waive any procedural requirements of this Policy.

9. INTERPRETATION

In any circumstance where the terms of these Policies and Procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to confirm to the law, rule, regulation or standard.

10. DISSEMINATION OF INFORMATION

AFL shall upload this Policy on its website i.e. www.aavas.in. AFL shall also make relevant disclosures in its Annual Report and maintain such registers as required under the provisions of the Companies Act, 2013, Rules made thereunder.

11. IMPLEMENTATION

The policy will be implemented by the management of the Company from the date it is approved by the Board. All Related Party Transaction entered prior to the date of approval of this Policy and Procedures shall be subject to review by the Audit Committee.

12. EXCLUSION OF POLICY

This policy shall not be applicable to following related party transactions:

a. Transactions entered into with Related Parties in ordinary course of business and on arm's length basis.

b. Transactions entered into between the Company and Wholly Owned Subsidiary Company whose accounts are consolidated with such the Company and placed before the shareholders at the general meeting for approval.

c. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with such Company and placed before the shareholders at the general meeting for approval.

d. The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

e. The following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

   a. payment of dividend;

   b. subdivision or consolidation of securities;

   c. issuance of securities by way of a rights issue or a bonus issue; and

   d. buy-back of securities.

f. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

g. Transactions entered into between a public sector Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Annexure-11

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	**Corporate Identity Number (CIN) of the Listed Entity:**	L65922RJ2011PLC034297
2.	**Name of the Listed Entity:**	Aavas Financiers Limited
3.	**Year of incorporation:**	2011
4.	**Registered office address:**	201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India
5.	**Corporate address:**	Same as above
6.	**E-mail:**	info@aavas.in
7.	**Telephone:**	0141-4659239
8.	**Website:**	www.aavas.in
9.	**Financial year for which reporting is being done:**	FY 2024-25
10.	**Name of the Stock Exchange(s) where shares are listed:**	Equity shares are listed on National Stock Exchange of India Limited (NSE) & BSE Limited.
11.	**Paid-up Capital:**	₹ 79,15,36,650/- as on March 31, 2025
12.	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report:**	Mr. Sharad Pathak Chief Compliance Officer Email- investorrelations@aavas.in
13.	**Reporting boundary:**	The disclosures made in this report are on a standalone basis and pertains to Aavas only.
14.	**Name of assessment or assurance provider:**	Grant Thornton Bharat LLP
15.	**Type of assessment or assurance obtained:**	Limited Assurance (attached as Annexure- A)

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	Other Financial Activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	The Company's primary business is providing home loans for the purchase, construction, renovation and repair of residential properties. In addition to home loans, the Company is also offering mortgage-backed MSME and home equity loans.	64910	100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N.A.*	404	404**
International		-	-

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and does not undertake any manufacturing activity.
**The Company has 397 branches and 7 offices then the total number of offices will be 404.

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	14
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company operates solely within India, with no business activities beyond its border. Consequently, exports do not contribute to the entity's total turnover.

c. A brief on Types of Customers

The Company is dedicated to providing home financing solutions to communities that have historically been underserved, unserved or overlooked by traditional financial institutions. It strategically focus on meeting the housing needs of low and middle-income families, particularly in semi-urban and rural areas. By concentrating on this niche market, it bridges a vital gap in the housing finance sector and extend access to homeownership for those often overlooked by larger lenders.

The average ticket size is ₹ 9.70 Lakh and the average tenure of the loan is 16.24 years.

Category	% of AUM in FY 2024-25
Salaried Customers	39.80%
Self-employed Customers	60.20%

Category	Income Per Annum	% of AUM in FY 2024-25
Economical Weaker Section	Up to ₹ 3 Lakh	17.30%
Low Income Group	More than ₹ 3 Lakh up to ₹ 6 Lakh	35.50%
Middle Income Group	More than ₹ 6 Lakh up to ₹ 18 Lakh	35.30%
High Income Group	More than ₹ 18 Lakh	11.90%

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	7,233	6,823	94.33%	410	5.67%
2.	Other than Permanent (E)	2,195	2,069	94.26%	126	5.74%
3.	**Total Employees (D+E)**	**9,428**	**8,892**	**94.31%**	**536**	**5.69%**
		WORKERS				
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	**Total Workers (F+G)**	**NA**	**NA**	**NA**	**NA**	**NA**

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total Differently Abled Employees (D+E)**	**2**	**2**	**100%**	**0**	**0%**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	**Total Differently Abled Workers (F+G)**	**NA**	**NA**	**NA**	**NA**	**NA**

21. Participation/Inclusion/Representation of Women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	9	2	22.22%
Key Management Personnel (KMP)	4	0	0%

22. Turnover rate for permanent employees and workers:

Particulars	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	50.87%	41.02%	50.40%*	52.62%	34.55%	51.80%	47.58%	28.30%	46.86%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

*The same has been calculated as per the SEBI Guidance Note.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the Holding/ Subsidiary/Associate Companies/Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Aavas Finserv Limited *	NA	Nil	No

*The Subsidiary Company has received a final order for dissolution from National Company Law Tribunal (NCLT) on January 28, 2025. As on March 31, 2025 the Company does not have any subsidiaries.

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 2,358.42 crore

(iii) Net worth (in ₹): 4,360.83 crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) *	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	Nil	Nil	-
Employees	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	400	Nil	-	380	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-

*The Company's policies regarding conduct with its stakeholders, including the grievance mechanisms are available on its website. The link to grievance redressal mechanisms for investors: https://www.aavas.in/details-of-debenture-trustee-rta-and-grievance, for customers: https://www.aavas.in/resource/grievance-redressal-policy. The Company has constituted a Stakeholder Relationship Committee for redressal of grievances of its security holders. Additionally, internal policies regarding grievance redressal of employees are available on the Company's intranet.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
1.	Affordable Housing-Lending to Lower and middle income customers with undocumented income.	Opportunity & Risk	**Opportunity:** Affordable housing has become a pressing need of the hour. The government has taken on the role of a facilitator, making this sector an attractive opportunity for private developers by introducing various incentives and schemes over the years. **Risk:** The Company primarily focuses on serving lower and middle-level customers from underserved and unserved regions, where a significant portion of the population has unrecorded income.	The Company employs robust customer assessment standards to effectively manage risks. Risk mitigation strategies include verifying credit histories through credit risk information bureaus and assessing the probability of default, among other measures. The Company has consistently maintained a delinquency percentage lower than the industry average, particularly within the affordable segment. Additionally, the use of conservative loan-to-value parameters, combined with rigorous customer assessment standards, further strengthens its ability to mitigate credit risk.	**Positive:** India's urban population is projected to double between 2018 and 2050, accompanied by an increase in per capita income and the growing trend of nuclear families. These factors create significant opportunities for the Company within the Affordable Housing sector. **Negative:** However, the absence of documented income history poses challenges in assessing customers' ability to maintain stable income in the future.

S. No	Material issue identified	Indicate whether risk or Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
2.	Financial and Digital Inclusion	Opportunity	The Company views financial and digital inclusion as a significant opportunity to broaden its reach, improve customer engagement, and make its services accessible to underserved communities, thereby promoting social equity.	The Company is steadily extending its reach, making deeper inroads into semi-urban and rural areas across India. It has also initiated a digital transformation by integrating Salesforce and Oracle into its systems. Additionally, the launch of the 'Go Green Initiative' marks a pivotal step towards adopting advanced technology to reduce paper usage in the loan processing workflow. The Company has initiated a pilot phase for E-signing in its loan documentation process.	**Positive:** Emphasizing financial and digital inclusion not only democratizes access to finance, enabling wider sections of the population to engage in the economy, but also fosters personalized and efficient service delivery, ultimately enhancing customer satisfaction.
3.	Diversity, Equity and Inclusion (DEI)	Opportunity	The Company is distinctively poised to lead in DEI, as its commitment to fostering a diverse and inclusive work culture reflects the diversity of its clientele. This alignment positions the Company for greater relevance in the affordable market and supports long-term growth.	The Company has implemented inclusive hiring strategies to recruit talent from various genders, cultural backgrounds, qualifications, and age groups. It also provides tailored mentorship programs, guarantees equal pay for equal work, and enforces fair promotion policies to retain and support its diverse workforce.	**Positive:** A workplace centered on DEI fosters a strong sense of belonging and mutual respect, boosting employee morale and satisfaction. Additionally, diverse teams contribute a wide range of perspectives and ideas, driving innovative solutions to complex financial challenges.
4.	Climate Change	Risk	Organizations involved in providing affordable housing finance face diverse risks associated with climate change. The Company acknowledges the environmental challenges linked to its lending and underwriting practices, while also identifying opportunities to address climate change by supporting sustainable projects and home loans.		
(a)	Physical Risk	Risk	Occurrence of extreme weather events like rising sea levels, floods, cyclones, tsunami etc.	The Company boasts a well-diversified portfolio spanning various geographies and segments, complemented by the digitization of its loan process and the adoption of a Business Continuity Management Policy (BCMP).	**Negative:** The potential erosion of capital, coupled with damage to infrastructure and assets, could result in financial losses for both the Company and its clients.
(b)	Transition Risk	Risk	Evolving regulatory frameworks and climate change policies may impose restrictions on business and financing activities that have either direct or indirect negative effects on the environment.	The Company is actively working to minimize its direct and indirect environmental impacts by optimizing resource consumption, promoting sustainable and digitized operations through the 'Go Green Initiative,' fostering Green Offices/Branches, and building an ecosystem to support financing Green Affordable Housing.	**Negative:** The risk of asset devaluation for properties that fail to meet sustainable standards. Rising operational expenses due to the need to adjust investment strategies in response to evolving market demands and regulatory requirements. Higher compliance costs as environmental regulations become increasingly stringent.

S. No	Material issue identified	Indicate whether risk or Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
5.	Green Self-Built Housing	Opportunity	The Company offers loans for the construction of eco-friendly homes and assists its customers in creating housing solutions that are both sustainable and affordable.	The Company is actively fostering the development of a Green Home ecosystem by engaging with employees, customers, masons, contractors, and others. It raises awareness about the advantages of green homes through various channels, including direct calls, SMS, WhatsApp messages, workshops, training sessions, social media platforms, brochures, and educational short films. The Company has conducted three Green samvaad during the financial year.	**Positive:** Loans for self-built housing have brought a sustainability aspect to our value chain, positioning us as trailblazers in promoting the concept of sustainable construction for self-built homes within the Indian Housing Finance sector.
6.	Community Wellbeing and Social Impact	Opportunity	Participating in social welfare initiatives not only strengthens a Company's corporate goodwill and social reputation but also fosters a deeper connection with the community's sentiments and aspirations. This bond ultimately supports the Company's long-term sustainable growth.	The Company recognizes the importance of social responsibility and its potential to create a positive impact on people's lives. To implement its Corporate Social Responsibility (CSR) initiatives, it partners with Aavas Foundation and other implementing organizations.	**Positive:** Engaging in social activities fosters a positive reputation and cultivates public trust.

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Board approves all corporate governance policies of the Company.								
c. Web Link of the Policies, if available	The Policies covering these principles are available on the Company's website under codes and policies section. Link- https://www.aavas.in/codes-and-policies.								
2. Whether the entity has translated the policy into procedure? (Yes/No)	Yes, the Company has translated the applicable policies and imbibed the same into procedures and practices across all spheres of activities the Company undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company expects its value chain partners to adhere to the same standards of ethics and values as are observed by the Company. The following policies have a broad scope and apply to value chain partners: - 1. Code of Conduct 2. Corporate Social Responsibility Policy 3. Environment & Social Policy 4. Environment Social & Governance (ESG) Policy 5. Equal Opportunity Policy 6. Grievance Redressal Policy 7. Human Rights Policy 8. IT Outsourcing Policy 9. Outsourcing Policy 10. Vigil Mechanism 11. Vishakha Policy 12. Whistle Blower Policy								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Apart from the LEED Gold Certification, the Company does not hold any other national or international codes, certifications, or label standards. However, it ensures that its operations adhere to the NGBRC, reinforcing its dedication to ethical and responsible business practices.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any:

	Target	Timeline
Environment	Carbon Neutrality (Scope 1 & 2 Emissions)	70% by FY 2032-33 and 100% by FY 2049-50
	Scope 3 Emissions (Plastic & Paper Waste)	50% by FY 2027-28
	Carbon Offset • Planting 70,000 Trees • Solar Plant 3,500 KWP • Green Housing Offset	By FY 2029-30

	Target	Timeline
Social	Increase women workforce up to 8%	By FY 2027-28
	Increase women workforce in Central Support Office & related office up to 25%	By FY 2027-28
	Maintain Fresh Hire up to 20%	Every Year
	Increase the number of Specially Abled Employees to 10	By FY 2027-28
	CSR: - • Engage 5,50,000 + people in Education & Holistic Development • Engage 4,50,000+ beneficiary through women empowerment and Gram Siddhi Program	By FY 2029-30
Governance	BRSR Core Assurance	From FY 2023-24
	Target to achieve a low ESG risk ratings/score	-
	Commit to Climate Impact reporting and became a member of CDP and aiming for an A rating	By FY 2027-28
	Sustainability Report to be aligned with international reporting frameworks	-

6. Performance of the entity against specific commitments, goals, targets along-with reasons in case the same are not met:

	Target	Timeline	Status at the end of FY 24-25	Status at the end of FY 23-24
Environment	Carbon Neutrality (Scope 1 & 2 Emissions)	70% by FY 2032-33 and 100% by FY 2049-50	47.72%	20.59%
	Scope 3 Emissions (Plastic & Paper Waste)	50% by FY 2027-28	44.00%	-
	Carbon Offset • Planting 70,000 Trees • Solar Plant 3,500 KWP • Green Housing Offset	By FY 2029-30	• 13,051 trees planted • Installed 620 KWP Solar Plant • 348 certified Self-Built Green Homes	• 1,850 trees planted. • Installed 295 KWP Solar Plant. • 150 certified Self-Built Green Homes.
Social	Increase Women Workforce up to 8%	By FY 2027-28	5.69%	4.89%
	Increase women workforce in H.O. & related office up to 25%	By FY 2027-28	26.91%	24.26%
	Maintain Fresh Hire up to 20%	Every Year	36.70%	23.12%
	Increase the Specially Abled Employees up to 10	By FY 2027-28	2	2
	CSR:- • Engage 5,50,000 + people in Education & Holistic Development. • Engage 4,50,000+ beneficiary through women empowerment and Gram Siddhi Program.	By FY 2029-30	3,42,012 Beneficiaries (Direct + Indirect)	1,17,000 Beneficiaries (Direct + Indirect)
			3,526 Beneficiaries (Direct + Indirect)	52,800 Beneficiaries (Direct + Indirect)
Governance	BRSR Core Assurance	From 2023-24	The Company has voluntarily assured on BRSR Core Standards.	The Company has voluntarily assured on BRSR Core Standards.
	Target to get low ESG risk ratings/ score.	-	The Company is in discussion with various ESG Rating Providers.	-
	Climate Impact reporting and became a member of CDP and attain a rating of A.	By FY 2027-28	The Company will go for CDP rating in FY 25-26.	-
	Sustainability Report to be aligned with international reporting frameworks.	-	The Company aligns its report with SDG as well as GRI standards.	The Company aligns its report with SDG as well as GRI standards.

Environment:
• The Company has significantly neutralised its total Scope 1 and Scope 2 emissions by 47.72%, marking a major milestone in its journey toward carbon neutrality.
• The Company has implemented measures to monitor paper usage at its Central Support Office, launched paper recycling initiatives, and reduced plastic consumption across its offices, branches, and promotional activities.
• The Company under its Go Green Initiative digitized its operations to minimize paperwork and facilitate online applications for home loans through its web portal and mobile application. The Company has initiated a pilot phase for E-signing in its loan documentation process.
• The Company under its CSR wing planted more than 13,051 trees and installed 620 KWP Solar plant which resulted in carbon saving.
• The Company has built 348 Self-Built Green Homes, saving more than 402 tCo_2, 16,830 m^3 water and 542 MWh energy per year.
Social:
• The Company's workforce includes 5.69% women overall, with 26.91% in the Central Support Office and related offices at the end of FY 24-25.
• To promote gender equality, the Company has implemented various range of initiatives, such as Prerna Mentor-Mentee program, Prerna webinars, wellness sessions, women wellness leave, workplace hygiene measures, and the Women Excellence Award.
• Under Employee health and well-being, the Company provides flexible working hours, Group insurance, Accidental and Health insurance as well Maternity and Paternity leaves.
• A dedicated Creche facility has been established at the Central Support Office, offering a safe, nurturing, and engaging environment for employee's children.
• Through its CSR program, the Company engaged with 3,42,012+ beneficiaries in Education & Holistic Development.
• Through the CSR program, the Company has reached 3,526+ beneficiaries through women empowerment and the Gram Siddhi Program.
Governance:
• The Company has a CSR & ESG Committee as well as ESG Policy to highlight its increased focus on ESG matters.
• The Company has voluntarily complied with BRSR Core Assurance which is in line with SEBI's mandate.
• The Company has received ESG ratings from various ESG rating providers such as CRISIL given 63, ESG Risk Assessment & Insights has rating of 70.62, and SES has given a rating of 77.8. The Company has not collaborated with any of these providers, all ratings were independently assigned based solely on publicly available data.
• The Company is consecutively honoured with the Best Mid-Cap – Service Sector Award in the Sustainability Reporting Awards 2023-24 by the Institute of Chartered Accountants of India (ICAI) for Excellence in BRSR.

Governance, leadership and oversight

7. Statement by Director responsible for business responsibility report, highlighting ESG related challenges, targets and achievements.

The Company takes immense pride in our significant strides towards embracing green and sustainable solutions within the workplace and beyond. Believing that charity begins at home, the Company initiated this journey by obtaining a green building certification for our Central Support Office.

In the Indian housing finance sector, we are pioneering solutions by bridging the financing gap for self-built green homes, particularly in the affordable segment. The Company empower lower and middle-income households to construct energy-efficient, independent Green Homes, achieving a remarkable 20% reduction in materials, energy usage and water consumption. This initiative not only reduces the cost of home ownership but also strengthens our commitment to environmental stewardship, setting an unparalleled global example of scalable, inclusive and affordable climate action.

The Company is equally dedicated to fostering an inclusive environment for our new hires and advancing gender equality. Initiatives like Prerna, the Mentor-Mentee Program, Prerna Webinars and the Women Excellence Award reflect our commitment to empowering women professionals, promoting leadership, and creating a more equitable workplace.

The Company is consecutively honoured with the Best Mid-Cap – Service Sector Award in the Sustainability Reporting Awards organized by the ICAI for Excellence in BRSR. Our holistic approach to sustainability spans multiple dimensions, including climate action, resource efficiency, diversity and inclusion. Additionally, the Company emphasized digitization and robust data security systems to enhance operational efficiency. By conducting initiatives such as green housing financing, women's wellness policies, and leadership development programs, sustainability is embedded deeply within our ethos.

The Company remain steadfast in our mission to drive positive change within the Company and in the wider community, making a meaningful impact on the world we share. Together, we are shaping a sustainable and inclusive future.

8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Sachinderpalsingh Jitendrasingh Bhinder Managing Director and Chief Executive Officer (MD & CEO) DIN:- 08697657
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, Board of Directors of the Company has embodied various Board Committees, which are accountable for and have hold over Key Sustainability & ESG related policies of the Company, as mentioned below: 1. **CSR & ESG Committee-** Acknowledging global trends and the growing significance of ESG factors, the Company has established a board-level CSR & ESG Committee to oversee ESG-related matters. Additionally, a management-level ESG Steering Committee offers regular oversight and direction to the three ESG Working Groups and the ESG team. 2. **Risk Management Committee-** The Company has established a Board constituted Risk Management Committee to assist in fostering a risk-aware culture and developing a risk governance framework to identify both internal and external risks, including those related to ESG. The MD & CEO, along with the senior management team, oversee the Company's performance in ESG aspects. Additionally, the BOD reviews the Company's sustainability performance on a quarterly basis.

10. Details of Review of NGRBC's by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies of the Company are approved/ reviewed by the BOD.									A	A	A	A	A	A	-	A	A
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.	The Company adheres to the existing regulations as applicable and there were no non-compliances.									A	A	A	A	A	A	-	A	A

11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		The processes and compliances are reviewed by Internal Auditors, Statutory Auditors, Secretarial Auditors, Regulators, and Credit Rating Agencies, as applicable. To uphold best practices and address risks, policies are periodically assessed and updated by the Senior Management and the Board. An independent assessment of the ESG Reporting of the Company has been provided by Churchgate Partners. Link - https://www.aavas.in/esg-reporting. The Company has obtained independent assurance of its BRSR Core Statement from Grant Thornton Bharat LLP.								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programs on any of the principles during the financial year:**

The Company developed customized learning paths for employees on different roles and career stages. The Company collaborated with reputed universities, colleges and professional training organisations to support career development for its employees. It has also leveraged technology to provide e-learning platforms in the form of webinars, virtual classrooms and self-paced online courses.

Prerna: The Company has launched a comprehensive initiative aimed at empowering women and fostering gender equality and inclusivity within the workplace. As part of this initiative, a mentor-mentee program has been introduced, where seasoned leaders mentor and support women professionals aspiring to grow in their careers. Additionally, a webinar on gender diversity was organized, featuring expert speakers and panel discussions to raise awareness and share best practices.

In celebration of Women's Day, the Company hosted a grand event to honor and recognize women leaders who have made remarkable contributions. The event showcased inspiring stories, awards, and offered heartfelt recognition, all culminating in a vibrant celebration that championed women's empowerment and inclusivity. Through these endeavors, the Company affirms its dedication for creating a work environment where women can excel, thrive and succeed.

New Employee Orientation: The Company recognizes the importance of a well-designed orientation program in setting up new employees for success. The Company orientation is thoughtfully tailored to address the unique requirements of various job roles, ensuring that each new hire receives the necessary training and insights to excel in their position. The program goes beyond providing an overview of the Company, focusing on equipping employees with knowledge of key performance indicators and essential functional skills.

For frontline staff, orientation sessions are conducted at regional training centers by dedicated Regional Learning & Development Managers. Meanwhile, orientation for roles such as Branch Heads, Credit Managers, and other senior positions is organized at Central Support Office.

To uphold the highest quality standards, functional training is delivered by subject matter experts (SMEs). Additionally, the Company prioritizes connecting leaders with new employees to inspire them and help them align with the Company mission, vision, and core values. This comprehensive and structured approach ensures that every new team member is well-prepared to drive the growth and success of the Company.

Leadership Trainings: The Company has implemented comprehensive leadership training programs to meet the evolving needs of managers at all levels, from first-time managers to vertical heads. These programs focus on fostering a strong sense of identity and mindset while equipping leaders with essential skills such as strategic planning, conducting effective meetings, providing constructive feedback, addressing performance challenges, and managing difficult conversations.

The Company's training initiatives aim to cultivate a culture of coaching, enhance stakeholder management, and create a supportive, productive workplace. Furthermore, it utilizes psychometric assessments to deliver customized trainings for vertical heads, ensuring they are well-equipped to lead their teams with confidence and efficiency. Through these efforts, the Company is dedicated to developing capable, confident leaders who will drive the Company towards achieving its mission and vision.

Special Initiatives:

The Company is committed to support functions through targeted training interventions based on Training Needs Identification. The initiatives include:

- **Performance Improvement Plans (PIP):** Focused on uplifting the performance of Relationship Officers (ROs) in low performance bucket.
- **New System Launches:** Training on the Lead Management System in the system.
- **Customer Service Excellence:** Training the Customer Service team on delivering enhanced customer service.
- **Sales Managers Mindset:** Special training for Tele Sales team to develop a winning mindset.
- **Win-Win Negotiation Skills:** Training for the retention team to boost their negotiation skills.

ESG Training: The Company has integrated ESG training into its overall training program, ensuring that all employees receive fundamental knowledge on responsible business practices. This training is provided through induction sessions for new employees as well as physical training programs conducted at various intervals. By embedding ESG principles into its learning framework, the Company aims to foster a culture of sustainability, ethical decision making, and corporate responsibility across all levels.

Green Home Training: The Company organised intensive capacity building and training programs round the year to promote green home awareness among its front line teams across all branches covering employees through group workshops, virtual webinars and self-paced training courses.

Segment	Total number of trainings and awareness programs held	Topics /principles covered under the training	% of persons in respective category covered by the awareness programs
BOD	32 Hours	Familiarization Program on Cyber, Technology Update and Programme on Regulatory Updates by SEBI/MCA/NHB/ RBI	100%
KMPs	25 Hours	Cyber Security Awareness IT Training , Technology Update and Programme on Regulatory Updates by SEBI/MCA/ NHB/ RBI, Insider Trading, POSH Training etc.	100%
Employees other than BOD and KMPs	2,91,951 Hours	Prarambh Induction, ESG Training, Cyber Security Training, Green Homes Training, Credit & Collections Training, Refresher Training, BM-BH Program, POSH Training etc.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	-	Nil			
Settlement	-				
Compounding Fee	-				

Non-monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	-	Nil		
Punishment	-			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has implemented an Anti-bribery and Corruption Policy, which demonstrates its commitment to maintain a zero-tolerance approach towards bribery and corruption. This policy aligns with the prevailing regulations and laws on anti-bribery and anti-corruption in India. Its scope covers all individuals within the Company, including directors, senior management, employees, and anyone else who is directly associated with the Company. The objective of this policy is to establish a robust and transparent operational framework that promotes accountability in all aspects of the Company's operations. The Company also communicate and create awareness among its employees through its internal communication. The policy is available on the Company's website at https://www.aavas.in/codes-and-policies.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((Accounts payable * 365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payable	1.45	10.78

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	Nil	Nil
	b) Number of trading houses where purchases are made from	Nil	Nil
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a) Sales to dealers/ distributers as % of total sales	Nil	Nil
	b) Number of dealers/distributors to whom sales are made	Nil	Nil
	c) Sales to top 10 dealers/ distributers as % of total sales to dealers/ distributors	Nil	Nil
Share of RPTs in	a) Purchases (Purchases with related parties/ Total Purchases)	0.040%	0.005%
	b) Sales (Sales to related parties/ Total Sales)	Nil	Nil
	c) Loans & Advances (Loans & Advances given to related parties/ Total Loans & Advances)	Nil*	0.002%
	d) Investments (Investments in related parties/ Total Investments made)	Nil	Nil

* Mr. Sharad Pathak has stepped down from the position of Company Secretary and is now serving as Chief Compliance Officer only. Hence, he is no longer part of the KMP.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the financial year:

During the year, the Company organized various programs and has taken various initiatives for its value chain partners as well as to improve awareness on green homes build up across diverse locations and branches across India. These include:

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes.
One (1)	Mentor-Mentee Program	Under Prerna initiative, the Company launched an exclusive Mentor-Mentee Program designed specifically for female employees. This program, in collaboration with an external training provider, aims to empower women professionals by fostering their growth and development within the Company. Through five virtual sessions—including Know Each Other, Listen to Understand ABC (Aspiration, Blocks & Challenges), Explore Choices, Assess Consequences, and Respond Creatively mentees gain access to experienced mentors for guidance, valuable insights and support.
Regular and round the year	Prerna Wellness Series	The Company has introduced Prerna series to enhance the health and overall wellbeing of its valued women employees. This initiative includes various strategies such as mentoring, training, coaching interventions and buddy programs. Aavas also prioritizes the health and psychological well-being of its female employees, offering women-friendly policies and creating a safe working environment.
Three (3)	Green Samvaad in Jodhpur, Junagadh and Raipur	To foster green home awareness among the supplier community and support ecosystem for green self-built homes, the Company organized 'Green Samvaad' in Jodhpur, Junagadh and Raipur engaging more than 300 members from the supplier community including builders, masons, contractors, architects, developers etc.
Regular and round the year	Green Home Training for Employees	The Company organized training sessions round the year on Green Homes, covering Relationship Officers (RO's), Disbursement Officers (DO's), Branch Heads, and other frontline employees across all branches. The Company also engaged 3,600+ employees in self-paced virtual training course on green housing. The Company has also developed an in-house team of EDGE experts through intensive engagement with International Finance Corporation (IFC) to foster green home ecosystem development. The Company has also imparted training on Jan Griha certification program.

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes.
One (1)	Transforming Mindsets with Green Home Documentaries	To bring an ecosystem-level shift towards green housing, the Company developed and disseminated a compelling documentary capturing real life experiences of household (Bengaluru, Karnataka) who have embraced the green and sustainable housing. The documentary serve as a testament to the success of green homes, inspiring wider adoption by illustrating the enduring benefits and dispelling common misconceptions.
Regular and across the customer base	In-house Green Home Advisory and Assistance Services	The Company regularly engages customers through digital and in-person outreach, providing technical guidance during Green Home construction.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has a Code of Conduct for the Board of Directors and the Senior Management Personnel which specifies that the members of the Board and Senior Management shall not engage in any transaction or activity that may conflict with the interest of the Company. The Code of Conduct can be accessed on the website-https://www.aavas.in/img/pdf/code-of-conduct-for-the-board-of-directors-and-the-senior-management-personnel.pdf.

The Company also has a policy on Materiality of Related Party Transactions and on Dealing with Related Party Transaction which addresses the issue of conflict of interest. The Policy on Materiality of related party transactions and on dealing with related party transactions can be accessed on the website- https://www.aavas.in/img/pdf/Policy-on-Materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf.

Principle 2 — Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R & D	-	-	**Green Housing Program:** The Company is a pioneer in India's affordable housing finance space by supporting certification of 348 self-built green homes. As per projections these homes are designed to collectively save – • 16,830 m^3 of water per year • 542 MWh of energy per year • 402 tons CO_2 of GHG emissions per year • ₹ 45,47,000/- cost per year The Company is actively nurturing an entire ecosystem for green affordable housing in India's housing finance space by engaging all key stakeholders from the green housing value chain including customers, employees, suppliers, government bodies, partners etc. through seminars, workshops, webinars, conferences, emailers, documentaries and other awareness and outreach initiatives on the concept, features and benefits of green homes.
Capex	1.51%	2.81%	In the Financial Year 2024-25, 1.51% of the total revenue of the Company was allocated towards Information Technology (IT) hardware and software. This investment in IT facilitated enhanced digital initiatives, leading to increased efficiencies and a reduction in paper usage across the Company's operations.

2a. Does the entity have procedures in place for sustainable sourcing? b. If yes, what percentage of inputs were sourced sustainably?

Given the Company's primary focus on providing housing finance, resource consumption is inherently limited. However, the Company actively ensures sustainable operations and moderated resource utilization. Under its ESG Policy, the Company is committed to procuring environmentally friendly inputs and sourcing materials locally, with a particular emphasis on supporting women-led MSMEs.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As the nature of business of the Company is providing housing finance, there is no hazardous waste generated by the Company. In the Current Financial Year, approximately 12.96 metric tons of waste was generated at the Central Support Office and its related offices out of which 4.34 metric tons of paper and e-waste was recycled through authorized vendors.

The Company has already launched 'Go Green Initiative' to reduce paper consumption, thereby reducing paper waste. The Company monitors and regulates the printing and photocopy operations. The Company also strives to adopt measures to segregate waste and ensure recycling/reuse of waste, wherever practicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, given the nature of the Company's operations, EPR is not applicable to the Company.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent External Agency (Yes/no)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
64910	Housing Finance Activities	100%	FY 2024-25	No	The Company primarily offers housing loans, for which the loan cycle is a sequential process ranging from sourcing of the loan to approval, disbursement, servicing, and repayment of the loan. The said cycle is designed to create customer delight with focus on ease and speed. The loan process flow is available on the website of the Company at https://www.aavas.in/product.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

NA

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for well-being of employees.

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		NO. (B)	% (B/A)	NO. (C)	% (C/A)	NO. (D)	% (D/A)	NO. (E)	% (E/A)	NO. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	6,823	6,577	96.39%	6,823	100%	0	NA	6,577	96.39%	Nil	Nil
Female	410	395	94.34%	410	100%	395	94.34%	0	NA	Nil	Nil
Total	**7,233**	**6,972**	**96.39%**	**7,233**	**100%**	**395**	**100%**	**6,577**	**100%**	**Nil**	**Nil**
OTHER THAN PERMANENT EMPLOYEES											
Male	2,069	2,069	100%	2,069	100%	0	NA	2,069	100%	Nil	Nil
Female	126	126	100%	126	100%	126	100%	0	NA	Nil	Nil
Total	**2,195**	**2,195**	**100%**	**2,195**	**100%**	**126**	**100%**	**2,069**	**100%**	**Nil**	**Nil**

b. Details of measures for wellbeing of workers.

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		NO. (B)	% (B/A)	NO. (C)	% (C/A)	NO. (D)	% (D/A)	NO. (E)	% (E/A)	NO. (F)	% (F/A)
PERMANENT WORKERS											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
OTHER THAN PERMANENT WORKERS											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

c. Spending on measures towards well-being of employees and workers (including Permanent and other than permanent) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.31%	0.31%*

*The same has been restated due to improved methodology and calculations.

2. Details of retirement benefits for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100.00%	NA	Y	100.00%	NA	Y
Gratuity	100.00%	NA	Y	100.00%	NA	Y
ESI**	49.00%	NA	Y	47.00%	NA	Y
Others	NA	NA	NA	NA	NA	NA

*All employees except apprentice trainees are covered for PF benefits.
**All employees are eligible for coverage under ESIC whose gross salary is less than or equal to ₹ 21,000/- per month.

3. Accessibility of Workplaces

Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, as per its Equal Opportunity Policy, Central Support Office of the Company is equipped with easily accessible facilities and infrastructure to enable differently abled employees to effectively discharge their duties. The Company also endeavors to make all events and meetings inclusive, and ensures that specially-abled employees are put to roles where they can work without any barriers and utilize their skills at the optimum level. It can be accessed on the website at- https://www.aavas.in/img/pdf/equal-opportunity-policy.pdf.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is committed to a diverse and inclusive work environment free from all forms of discrimination based on age, gender, caste, race, religion, or disability. This practice is duly enshrined in the Company's Equal Opportunity Policy, which can be accessed on the website at https://www.aavas.in/img/pdf/equal-opportunity-policy.pdf.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees	
Gender	**Return to Work Rate**	**Retention Rate**
Male	100%	53.09%
Female	100%	66.67%
Total	**100%**	**53.57%***

*The same has been calculated as per the SEBI Guidance note.

6. Is there a mechanism available to receive and redress grievances for employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give the details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Yes*
Other than Permanent Employees	

*The Company believes in open and receptive channels of communication within its workflow, and encourages employees to freely share their concerns with their departmental heads, HR or members of the senior management. To address the instances of unresolved employee grievances, the Company has put in place a mechanism under its Employee Grievance Redressal Policy which provides all employees with an adequate opportunity to have their grievances resolved effectively and at the earliest possible stage. The policy is available on the intranet portal of the Company where it is accessible to all employees.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee associations, however, it recognizes the right to freedom of association and does not discourage collective bargaining.

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category who are part of association or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association or Union (D)	% (D/C)
Total Permanent Employees	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On health and safety measures		On Skill Upgradation		Total (D)	On health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	8,892	8,892	100%	8,892	100%	8,128	8,128	100%	8,128	100%
Female	536	536	100%	536	100%	417	417	100%	417	100%
Total	**9,428**	**9,428**	**100%**	**9,428**	**100%**	**8,545**	**8,545**	**100%**	**8,545**	**100%**
WORKERS										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Note: Some of the training programs offered under health and safety/wellness and skill upgradation are mandatory. Hence, all employees have been included in such training programs.

9. Details of performance and career development reviews of employees and workers:

Policies for career growth and progress are in place for all employees. All employees undergo an annual performance appraisal process based on their defined Key Responsibility Areas (KRA) and ratings are given on a 5 point scale, based on which their annual increments and bonuses are determined.

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No.(B)	%(B/A)	Total (C)	No. (D)	%(D/C)
EMPLOYEES						
Male	8,892	6,906	77.66%	8,128	8,128	100%
Female	536	432	80.59%	417	417	100%
Total	**9,428**	**7,338**	**77.83%**	**8,545**	**8,545**	**100%**
WORKERS						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company specializes in housing finance and, faces minimal occupational health and safety risks due to the nature of its work. However, as a responsible corporate entity, it remains dedicated to fostering a safe and healthy work environment, guided by its Human Rights Policy. The Company engages through various means such as:

We Care Initiative: The program is an ongoing employee well-being initiative designed to support better health, reduce stress, and promote work-life balance. Through various campaigns, the Company:

- Cultivates a positive work environment, enhances mental resilience, and encourages healthier lifestyle choices.
- Prioritizes employee happiness and engagement.
- Promotes physical and mental well-being.
- Offers free in-house health check-ups for employees and their families.
- Conducts awareness sessions on preventing sexual harassment in the workplace.
- Ensures a safe and respectful environment with robust grievance redressal mechanisms.
- Provides women wellness leaves.

Free Medical Screening: It was conducted at the Central Support Office, focusing on improving employee health, particularly for disadvantaged groups. This initiative aimed to reduce the burden of disease and financial strain by offering various health check-up such as Blood Pressure, Pulmonary Function, Bone Mineral Density, Random Blood Sugar etc.

Encouraging Fitness through various programs and challenges, such as tie-up with a professional badminton academy, fitfest challenge, weekly steps challenge, weight loss challenge, push-up challenge, best fitness video contest and zumba sessions.

The Company remains committed to a holistic approach to employee health and well-being. Awareness is fostered through regular communication, interactive sessions, wellness challenges, informative emails, and workshops to ensure employees are both engaged and informed.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable, however, under its Human Rights Policy, the Company ensures that all parameters of health and safety are complied with at all its workspaces and takes sufficient measures to avoid any workplace hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business, this is not directly applicable and as such, there are no workers employed by the Company.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are covered under the Company's Accidental Policy and, majority of the employees are also covered under its Health Insurance Policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Numbers	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Permanent Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Permanent Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Permanent Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company places utmost importance on ensuring a safe and healthy working environment for both staff and customers. To enhance safety measures, all branches and offices are equipped with fire extinguishers, which are regularly inspected and refilled. Furthermore, every branch is secured with CCTV cameras, security guards and officers, ensuring comprehensive security coverage.

We Care is our ongoing employee well-being initiative designed to support better health, alleviate stress, and promote work-life balance. Through these campaigns, we cultivate a positive work environment, enhance mental resilience, and inspire healthier lifestyle choices ultimately leading to happier, more engaged employees. Employee well-being is a key priority, with medical kits available at all locations. At the Central Support Office, employees and their families have access to free weekly consultations with an empanelled doctor. Additionally, the Company has partnered with hospitals to provide employees with health benefits at concessional rates. In support of women's health, the Company has implemented a Women's Wellness Policy, offering an additional monthly paid leave for women experiencing discomfort or health issues due to menstruation. Webinars focusing on topics such as Aging is Optional and Retirement Planning for Women are also organized to empower female employees.

A dedicated Creche facility has been established at our Central Support Office offering a safe, nurturing, and engaging environment for employees' children. The creche facility was officially launched on International Women's Day, as part of our commitment to inclusive employee welfare,

- to support working parents, especially mothers, in balancing professional and personal responsibilities.
- to promote a gender inclusive workplace by reducing career breaks due to parenting needs.
- to enhance employee satisfaction, reduce stress, and increase productivity.

The facility operates during official working hours. Safety and hygiene are prioritized, ensuring peace of mind for parents. This facility improves work-life balance and reduces absenteeism. This boost employee morale and retention, especially among women employees. Reinforcement of our employee-centric culture and sustainability commitments under ESG goals.

The Company further demonstrates its commitment to health and wellness by conducting Basic Life Support training at various branches, organizing blood donation camps, and hosting sessions on topics like Finding Happiness at Work, Posture Perfect: Preventing Back and Neck Pain, Cancer Awareness, Provision of Creche Facility and fitness challenges. Additional webinars covering financial wellbeing, eye health, social connections, investment strategies, and self-care through creative activities are held to promote a well-rounded and supportive workplace environment. Aavas offers in-house health check-up facilities, encouraging employees to prioritize their physical and mental well-being.

13. Number of Complaints on the following made by employees:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective action plan has been necessitated on the above mentioned parameters.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees?

Yes. The Company provides adequate safeguard to families of deceased employees through its health/accidental/term insurance policy. Benefits like Provident Fund, Gratuity and ESIC, as applicable, are settled on a priority basis. Additionally, employee stock options granted to deceased employee immediately vest with the nominee upon death and the Company assists the family in exercising such options.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to transactions within the remit of the Company are deducted and deposited in accordance with prevailing regulations. The Company expects its value chain partners to uphold the same business responsibility principles and values of transparency and accountability as are observed by the Company.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company helps its employees in their career progression, it intend to put in place system and strategies to understand the capacity of an employee and undertake capacity building efforts by providing training. From time to time, the Company promotes in-house talent and in continuation to this, it opens opportunities for Performer/Right Skill Set/Enthusiasm People. The Company helps employees in their transition from officers to managers, and managers to leaders.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners)
Health and safety practices	The Company expects all its value chain partners to follow existing regulations with regard to health, safety and working conditions. The Environment & Social Policy has a prohibited activities list which lays down certain activities that do not qualify for financing which include child labor, forced labor etc.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above mentioned parameters.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

A Key stakeholder is any individual or group, connected to the Company, who significantly influences and adds value to its organizational operations. This include customers, employees, shareholders, investors, business partners, suppliers, regulatory bodies, government entities, and community at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Customers	Yes, some customers may be identified as vulnerable or marginalized group, if they qualify specific criteria with regard to their income, gender, etc.	Physical- Branches, notice boards, pamphlets, personal visits, letters. Digital/Electronic- Mobile app, website, email, SMS, WhatsApp, direct calling, customer care, ChatBot feature on website, surveys and feedback.	Regular and Need basis	Maintain contact with the customer during the loan period, address the customer's potential problems to ensure quality service as well as through customer grievance redressal mechanism.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Employees	No	Direct interactions and other communication mechanisms such as email, SMS, HRMS portal & application, physical and virtual meetings, awards & recognition programs, appraisal process, employee engagement initiatives, online surveys, trainings etc.	Regular and need basis	Develop a culture that promotes meritocracy, provides adequate growth opportunity and ensures a diverse, equitable and inclusive workplace. The employees are updated about Company values and business strategies.
Shareholders & Investors	No	Annual General Meeting, Annual Report, Quarterly Reports, Website, Quarterly Earning Calls, Regular investor meetings/conference calls, Stock Exchange Disclosures, Social/ Print Media	Regular and as per regulatory requirements	Update on Company's performance and milestones, adherence to regulatory compliances, in true spirit of transparency & governance.
Business Partners & Suppliers	No	Regular meetings, emails, SMS, phone calls, and Mobile App and website.	Regular and need basis	Ensure effective communication for quality and efficient service.
Regulators & Government	No	Email, one-to-one meetings, conference calls, mandatory fillings with regulators, policy updates, circulars, guidelines and directives.	Regular and as per regulatory requirements	Adherence to all relevant laws and responsiveness towards regulatory changes.
Community	Yes	Aavas Foundation actively implements CSR initiatives across multiple locations, engaging in various social activities. Communication efforts are carried out through print and social media and regular meetings, both directly and in collaboration with implementing agencies.	Regular and need basis	To support the sustainable growth of communities through continuous engagement and facilitate ongoing project monitoring and reviews.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has always maintained continuous and proactive engagement with key stakeholders which enables it to better communicate its strategies and results to the Board. The Company has a board level CSR & ESG Committee for inculcation of economic, environmental and social topics into its core strategic framework.

   The Company has also engaged CARE Analytics & Advisory Pvt. Ltd. as an ESG consultant to provide a broad scope of services such as GHG foot printing, Website Development and Capacity Building Sessions. The Board and its various Statutory Committees are kept abreast of developments and feedback on ESG issues on a quarterly basis by updating ESG related progress to the CSR & ESG Committee and incorporating sustainability related updates in investor and risk presentation.

   ESG updates are also uploaded on the Company's website at the end of every quarter and for wider access by various stakeholders, intimations on major milestones are sent to the Stock Exchanges. The Company has also on boarded Churchgate Partners for third party assessment of ESG activities of the Company.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company engages with various stakeholders to ensure sustain and long-term value creation for all of them. The following are certain instances where input from stakeholders have been incorporated to bring positive change-

   - With the Green Housing initiative, the Company has taken a decisive step towards responsible housing development by engaging with the entire ecosystem around the green home value chain, including customers, frontline employees,

suppliers, technical experts as well as international certifiers through stakeholder engagement initiative such as Green Samvaad, capacity building workshops, social media awareness campaigns etc. In the pioneering initiative, the Company bridges a critical gap between global vision and local reality by conveying ground-level challenges and real-world feedback to international visionaries and experts while also addressing local myths around eco-friendly housing among home owners.

- Under Prerna initiative, the Company launched an exclusive Mentor-Mentee Program designed specifically for female employees. This program, in collaboration with an external training provider, aims to empower women professionals by fostering their growth and development within the Company. Through five virtual sessions—including Know Each Other, Listen to Understand ABC (Aspiration, Blocks & Challenges), Explore Choices, Assess Consequences, and Respond Creatively mentees gain access to experienced mentors for guidance, valuable insights, and support.

To further enhance opportunities for stakeholder feedback, the Company, under its ESG Policy has established a management-level ESG Steering Committee and a functional Social & Governance Working Group to obtain feedback from relevant internal and external stakeholders on the Company's ESG practices wherever necessary.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company has taken a comprehensive approach towards addressing the concerns of vulnerable communities through education, empowerment, outreach and direct support initiatives.

- **Skilling Programs Under Aavas Udaan:** The Company in partnership with Ambuja Foundation and TeamLease Foundation, launched Banking Correspondence Banking Facilitators (BCBF) and Banking Financial Service and Insurance (BFSI) training programs under its flagship initiative, Aavas Udaan. Pan India through nine centers, the program trained 380 underprivileged youths to bridge the skills gap, impart modern skills, and enhance employability. Over 70% of participants secured placements upon successful completion.

- **Road Safety Initiatives:** For three consecutive years, the Company has promoted road safety through its CSR efforts in collaboration with Rajasthan Sadak Suraksha Society, government departments, and local communities. In FY 2024–25, the Company organized 18 workshops, distributed 8,000 helmets, and installed 39 Traffic Police Assistance Booths across Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, and Uttar Pradesh.

- **School Infrastructure Renovation:** The infrastructure of two Government Schools, Jaipur was renovated, including the construction of new buildings, restoration of old structures, beautification, installation of school desks, and bala paintings. These improvements benefit over 650+ students annually, ensuring better access to quality education. Additionally, the establishment of five Mini-Science Centers in government senior secondary schools across Jaipur and Bhilwara that has benefitted over 2,500 students.

- **Preventive Eye Care and Support for Persons with Disabilities:** The Company collaborated with Blind People's Association India to organize 25 preventive eye check-up camps in villages of Ahmedabad's Daskroi and Bareja blocks, screening patients for minor eye ailments and cataracts. As a result, 6,094 patients received minor treatments, 2,504 were provided spectacles, and 200 cataract patients underwent free surgeries. Additionally, the Company supported 200 persons with disabilities (PWDs) by providing artificial limbs, fostering mobility and independence in Gujarat, Maharashtra, and Madhya Pradesh.

- **Infrastructure Support for Emergency Medical Services:** Under its CSR initiative, the Company provided five car ambulances to government hospitals in Jaipur, Pune, Ujjain, and Gokak, enhancing accessibility to emergency medical services.

- **Free Meal Services for Patients and Caregivers:** Understanding the challenges faced by destitute patients and caregivers outside government hospitals, the Company initiated the Aavas Aahar Program, which provides daily cooked meals to over 1,000 individuals outside Sawai Man Singh Hospital and Jaipuria Government Hospitals in Jaipur, Rajasthan.

- **Empowering Rural Women through Gram Siddhi:** As part of its flagship program, Gram Siddhi, the Company has collaborated with PraveenLata Sansthan Foundation in FY 2024–25 to train 25 rural women in Beauty and Wellness, enabling them to establish beauty parlors in Indore's Sanwer and Depalpur regions, generating an average monthly income of ₹ 6,000.

- **Early Childhood Care and Development Centers:** The Company has partnered with Mobile Creches for Working Mothers Children NGO to establish three childcare centers in urban slums of Delhi and Ahmedabad. These centers cater 150 underprivileged children aged six months to six years, providing early education, nutrition, immunization, and access to mainstream education.

- **Safety and Well-Being of Construction Workers:** The Company conducted 188 workplace safety awareness sessions and distributed 2,000 safety kits, promoting safety among construction workers. The initiative also connected workers to government schemes, banks, and financial services, benefitting over 13,000 workers since its inception.

These impactful interventions showcase unwavering commitment to creating sustainable social change across diverse communities.

Principle 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

The Company has board approved Code of Conduct, Human Rights Policy, Equal Opportunity Policy and other best practices/ policies around human rights to ensure dignity, fair practices, equal opportunity and absence of all forms of discrimination at workplace. The employees are educated through regular trainings and communications for the above practices/policies.

During the Financial Year, the Company upheld its commitment to a safe, dignified and harassment free workplace by organizing 427 Prevention of Sexual Harassment (POSH) trainings, covering 6,195 employees, in addition to a mandatory training for the members of Internal Complaints Committee (ICC). POSH training sessions are also an integral part of our induction process to empower employees to take proactive steps towards a respectful and inclusive work environment.

The Company is deeply committed to upholding human rights and fostering a fair, inclusive, and discrimination free workplace. This commitment is reflected in its Board approved policies, including the Code of Conduct, Human Rights Policy, and Equal Opportunity Policy, as well as other best practices aimed at ensuring dignity, fair treatment, and equal opportunities for all employees. Regular training sessions and communication initiatives are conducted to educate employees about these policies and practices.

In observance of Sexual Harassment at Workplace Prevention Week organized by Ministry of Women and Child Development, the Company organized POSH webinar attended by 1,100+ employees and also launched POSH learning series on its intranet portal covering all employees.

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers trained (B)	% (B/A)	Total (C)	No. of employees/ workers trained (D)	% (D/C)
Employees						
Permanent	7,233	7,233	100%	6,075	6,075	100%
Other than Permanent	2,195	2,195	100%	2,470	2,470	100%
Total Employees	**9,428**	**9,428**	**100%**	**8,545**	**8,545**	**100%**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**7,233**	**407**	**5.63%**	**6,826**	**94.37%**	**6,075**	**281**	**4.62%**	**5,794**	**95.38%**
Male	6,823	381	5.58%	6,442	94.42%	5,788	270	4.66%	5,518	95.34%
Female	410	26	6.34%	384	93.66%	287	11	3.84%	276	96.16%
Other than permanent	**2,195**	**143**	**6.51%**	**2,052**	**93.49%**	**2,470**	**95**	**3.84%**	**2,375**	**96.16%**
Male	2,069	140	6.77%	1,929	93.23%	2,340	91	3.88%	2,249	96.12%
Female	126	3	2.38%	123	97.62%	130	4	3.07%	126	96.93%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration:

The remuneration paid to the Directors is in line with the Remuneration Policy of the Company which is available on its website at https://www.aavas.in/img/pdf/policy-on-nominations-remuneration.pdf.

	Male		Female	
	Number	Median remuneration of respective category	Number	Median remuneration of respective category
BOD	6	30,00,000	2	30,00,000
KMPs	4*	2,13,85,172	0	0
Employees other than BOD and KMP**	6,820	2,65,186	410	2,55,898

*Mr. Sachinderpalsingh Jitendrasingh Bhinder, MD & CEO, is included in the Key Managerial Personnel for the purposes of this table.
**The Employees considered for this table are permanent employees of the Company.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross Wages paid to females as % of total wages	5.61%	4.56%*

* The Gross wages are calculated only of the permanent female employees.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief People Officer (CPO) oversees the related function and is responsible for addressing the same. The Company has also put in place a comprehensive ESG Policy which addresses human rights issues and impacts, particularly equality of opportunity, employee health & wellbeing, diversity & inclusion, positive work environment etc.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has in place grievance redressal mechanisms for its respective stakeholders such as customers, employees, shareholders, and others. All the grievance redressal mechanisms are available on the Company's website https://www.aavas.in/ and intranet portal of the Company.

6. Number of Complaints on the following made by employees:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	-	Action Taken	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/ workers	0.20%	0.00%
Complaints on POSH upheld	1	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place a Human Rights Policy, Equal Opportunity Policy, Vigil Mechanism/Whistle Blower Policy, and Vishaka Policy which provides a mechanism to prevent discrimination and harassment at workplace. As per the said policies, all the disclosures made shall be treated as sensitive, confidential and non-retaliatory.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Nil
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

The Company is diligent in implementing its human rights policies and sensitizing its workforce on the importance of human rights in the workplace. Hence, no corrective actions have been necessitated.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

The Company is of the belief that it has upheld basic principles of human rights in all its dealings in alignment with its Human Rights Policy. Hence, no significant change has been necessitated with respect to the business process.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has adopted a culture where its employees and directors feel free to raise any concerns about wrongful conduct, with the help of its Whistle Blower Policy. The said policy provides a Vigilance Mechanism to channelize reporting of instances of wrongful conduct. The Audit Committee oversees the Vigil Mechanism. Employees have been facilitated direct access to the Chairperson of the Audit Committee, if necessary.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Central Support Office of the Company has ramp for easy movement of differently abled visitors. Most of the branches are on ground floors or have elevators and infrastructure for differently abled visitors. The Company also maintains application forms in Braille to cater to the special needs of visually impaired customers.

4. Details on assessment of value chain partners:

	% of value chain partners(by value of business done with such partners) that were assessed
Child Labour	The Company has not conducted any such assessment of value chain partners. The Company through its ESG Policy outlines and always requires that suppliers comply with all applicable laws, regulations and standards within the geographies in which they operate as part of the Supply Chain initiative.
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption and energy intensity, in the following format:

The Company is service oriented and in the business of providing housing finance, therefore, there is no direct significant consumption and energy intensity. However, as a proactive and responsible corporate, the Company tracked energy consumption and other indicators during the year under review.

Parameter	Unit of Measurement	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable Sources			
Total electricity consumption (A)	-	Nil	Nil
Total fuel consumption (B)	-	Nil	Nil
Energy Consumption through other sources (C)	-	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	-	Nil	Nil
From Non-renewable Sources			
Total electricity consumption (D)	Giga Joule	13,598.79	11,874.65
Total fuel consumption* (E)	Giga Joule	142.89	74.37
Energy Consumption through other sources (F)	-	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	Giga Joule	13,741.68	11,949.02
Total energy consumed (A+B+C+D+E+F)	Giga Joule	13,741.68	11,949.02

Parameter	Unit of Measurement	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Energy Intensity per rupee of turnover (Total energy consumed/ Revenue from Operations)	Giga Joule per ₹	0.00000058	0.00000059
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed/Revenue from operations adjusted for PPP)	Giga Joule per USD	0.000012	0.000012
Energy intensity in terms of physical output	-	NA	NA
Energy Intensity (optional) (Total energy consumed/full time employees)	Giga Joule per employee	1.46	1.39

* The Company uses Diesel Generators in its Central Support Office only, which is included under fuel consumption.

**The PPP conversion rate is 20.66, as published by International Monetary Fund (IMF) on its website.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd and the same has been assured by assurance provider.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

NA

3. **Provide details of the following disclosures related to water, in the following format:**

The Company's usage of water is restricted to human consumption purposes only. Further, efforts have been made to ensure that water is consumed judiciously. In the Central Support Office and its related offices, censor taps are used in washrooms to economize water consumption.

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water Withdrawn by source (in kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	1,19,033.79**	4,671*
(iii) Third party water	Nil	Nil
(iv) Seawater/desalined water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	1,19,033.79	4,671
Total volume of water consumption (in kiloliters)	1,19,033.79	4,671
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000506 kiloliters per ₹	0.00000023 kiloliters per ₹
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000104 Kiloliters per USD	0.000005 Kiloliters per USD
Water intensity in terms of physical Output	NA	NA
Water intensity (optional) (Total water consumption / Full time employee)	12.63	0.54

* The Company started recording water withdrawal and water consumption data from June 01, 2023. Thus, the data reported for FY 2023-24 is of 10 months and pertains to Central Support Office only.

**For Central Support Office, Water withdrawal & Consumption data is based on actual readings and for Branches it is estimated using Industry Standard, as outlined in the BRSR Core Guidelines.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The same has been assured by assurance provider.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others– please specify	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions	tCo_2e	33.02	20.22
Total Scope 2 emissions	tCo_2e	2,746.20	2,361.74
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	tCo_2e/ ₹	0.00000012	0.00000011
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCo_2e/ per USD	0.0000024	0.0000024
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	NA	NA
Total Scope 1 and Scope 2 emission intensity (Total Scope 1 and Scope 2 emissions/Full time employees)	tCo_2e/FTE	0.29	0.28

*The PPP conversion rate is 20.66 as published by International Monetary Fund (IMF) on its website.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment of GHG emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd and the same has been assured by assurance provider.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is striving to minimize its GHG emissions wherever feasible. The Central Support Office of the Company was certified LEED Gold in May 2022. Further, through its CSR initiatives, the Company has taking forward its commitment to an eco-friendly and sustainable future by proactively undertaking various projects on environmental sustainability like Tree plantation drive – 'Each One Plant One' initiative and plantation drive organized by NHB under 'Meri Maati Mera Desh' initiative led by Government of India, investment in clean energy, and Green Housing Initiative.

Savings from	Carbon Reduction (tCo_2e)
620 KWP solar plants	905.20
13,051 Tree Plantation	420.94
Total Savings	**1,326.14**

9. Provide details related to waste management by the entity:

As the nature of business of the Company is providing housing finance, the key waste products are plastic, paper and e-waste.

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste* **(A)**	3.954	4.825
E-waste **(B)**	2.950	-
Bio-medical waste **(C)**	-	-
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	-	-
Radioactive Waste **(F)**	-	-
Other hazardous waste. Please specify if any. **(G)**	-	-
Other non–hazardous waste- Paper Waste* **(H)**	6.056	-
Total (A+B+C+D+E+F+G+H)	**12.960**	**4.825**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) MT/ ₹	0.00000000055	0.00000000022

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	0.0000000114	0.0000000049
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – (Total waste generated /Full Time Employees) MT/ FTE	0.00137	0.00056
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	4.34	-
(ii) Re-used	-	0.24
(iii)Other Recovery Operations	-	-
Total	**4.34**	**0.24**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	8.62	4.58
Total	**8.62**	**4.58**

* Computed with respect to the Central Support Office only.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd and the same has been assured by assurance provider.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As the nature of business of the Company is providing housing finance, there has been no hazardous waste generated by the Company. In the current Financial Year, approximately 12.96 metric tons of waste was generated at the Central Support Office out of which 4.34 metric tons of paper and e-waste was recycled through authorized vendors.

The Company has already launched 'Go Green Initiative' to reduce paper consumption, thereby reducing paper waste. The Company monitors and regulates the printing and photocopy operations. The Company also strives to adopt measures to segregate waste and ensure recycling/reuse of waste, wherever practicable.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

All the offices as well as branches of the Company are in premises which have the requisite building permits, including environmental approvals.

S.No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and the corrective actions taken if any.
			Nil

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N):

Based on the nature of business, the Company is in compliance with applicable environmental norms.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area- Not Applicable
- Nature of operations- Not Applicable
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) –the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(v) Others	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

2. Please provide details of total Scope 3 emissions & its intensity in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions	tCo_2e	14,430.15	13,387
Total Scope 3 emissions per rupee of turnover	tCo_2e/ ₹	0.0000006	0.0000007
Total Scope 3 emission intensity (optional) – (Total Scope 3 Emission /Full Time Employees)	tCo_2e /FTE	1.53	1.57

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As the Company is providing financial services, it does not cause any significant, direct impact on biodiversity. The Company's offices and branches are not operated in and around the ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	GATI	Aavas is committed to continuous improvement and has embarked on a digital-first initiative called Project 'GATI'. The project involves building a single platform to streamline the entire loan origination and customer service journey, providing customers with a more seamless experience.	The new system has significantly reduce manual data entry, paper work and project assessment time, thereby ensuring a seamless customer experience.
2.	Green Building Certification	The Company has actively integrated green and sustainable solutions into its operations. The Company achieved a significant milestone by securing LEED Gold certification for the Central Support Office, making it the first existing commercial building in Jaipur, Rajasthan to receive the prestigious recognition.	The initiative has significantly improved energy efficiency, reduced water consumption, and elevated indoor air quality, ensuring a more sustainable and healthier environment.
3.	LED lightening & robust IT systems	LED lighting, insulation to reduce air conditioning usage, and the Company prioritise energy-efficient equipment with higher star ratings, utilises power supervision technology, and has adopted cloud-based technology and virtualised information centres.	It reduces energy consumption, decreases air conditioning demand, lowers expenses, enhances comfort, and promotes sustainability.
4.	Go Green Initiative	The Company under its Go Green Initiative digitized its operations to minimize paperwork and facilitate online applications for home loans through its web portal and mobile application.	It minimizes paper consumption in loan documentation and contributes to cost savings by optimizing file storage.
5.	E-Signing of Loan Documentation	The Company has initiated a pilot phase for E-signing in its loan documentation process. This digital transformation aims to enhance efficiency, reduce paper usage, and streamline operations, making loan processing more seamless and cost-effective. By integrating electronic signatures, the Company seeks to improve customer experience, strengthen security measures, and contribute to environmental sustainability.	Through this initiative the Company will pave the way for a broader adoption of digital documentation.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

   Yes, the Company has a Board approved BCMP which focuses on safety and protection of people, minimizing damages and liabilities, timely recovery of critical business processes at all the offices to provide continuous service to its customers.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Given the nature of the Company's business, there has been no significant adverse impact on environment.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   The Company as per its ESG Policy expects its supply chain partners to demonstrate commitment on sustainability and align on environmental aspects. The Company has not assessed its value chain partners for environmental impacts.

8. **How many Green Credits have been generated or procured:**

   a. **By the listed entity:** Nil, While no green credits have been procured, the Company is exploring renewable energy options to strengthen its sustainability efforts.

   b. **By the top ten (in terms of value of purchases and sales, respectively) value chain partners:** Nil

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is a member of 3 trade/industry chamber/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry (CII)	National
2.	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
3.	PHD Chamber of Commerce and Industry (PHDCCI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   NA

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company has propagated public policy positions which are as follows:

S.No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others –please specify)	Web Link, if available
1.	Standardization of Legal Documents for Individual Housing Loans by National Housing Bank (NHB)	The issue of complexity and differences across institutions in legal documents for housing loans was highlighted during the meeting of CEOs of Housing Finance Companies (HFC) organized by NHB. NHB constituted a working group to examine the issue and develop a standard format of legal documents which can be used by Lending Institutions. The proposed formats was shared with all the HFCs for inputs. The Company shared inputs on the same.	Yes	On Requirement Basis	https://www.nhb.org.in/wp-content/uploads/2025/01/Working-group-Standardisation_web.pdf

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company's operations do not involve any projects which require need for any Social Impact Assessments. However, from a CSR standpoint, to ensure adherence to programme objectives and maximization of social impact, the Company works closely with its implementing partners on CSR programme design, the implementation model, and the governance and reporting of impact during the course of the programme.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms in place to receive and redress grievances of its various stakeholders. The Company also has in a place a whistleblower mechanism to capture any grievance / complaint of any internal or external stakeholder which includes vendors, communities, etc. Details of such mechanisms and policies are given in Section A: General Disclosure of this report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	17.51%	21.14%
Sourced directly from within India	96.31%	97.90%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2024-25* Current Financial Year	FY 2023-24 Previous Financial Year
Rural	0.54%	0.37%
Semi-Urban	16.06%	13.50%
Urban	23.91%	25.23%
Metropolitan	59.49%	60.90%

*The places are categorized as per RBI Classification system-rural/ semi-urban/ urban/ metropolitan and Census 2011.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (INR)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Although the Company does not have a specific procurement policy but it covers the procurement practice under its ESG Policy. The Company strives to procure, as far as possible, inputs, which are:

i. Recycled/reusable

ii. Environment friendly

iii. Energy-Efficient

iv. Locally sourced from small vendors/MSMEs, especially women-led MSMEs

The Company expects its value chain partners to adhere to the same laws, regulations, and human rights standards as are observed by the Company, including laws pertaining to safety & wellness at workplace, prohibition of forced labour, human trafficking, environment protection etc.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		Nil		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the Case	Corrective action taken
	Nil	

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	**Education, Holistic Development & Sports** • Skill Development • Road Safety Awareness • Quality Education & Scholarships	3,43,912	100% (The primary object of our CSR programs of the Company is to support and upgrade lives of marginalized and vulnerable communities such as rural women, disabled women, rural youth, construction workers, children etc. The Company strive to improve the social economic condition of these communities.)
2.	**Environment Sustainability, Climate Change and Energy** • Solar Plant • Tree Plantation	18,708	
3.	**Healthcare and Wellness** • Free Food Distribution • Artificial Limbs	3,37,470	
4.	**Reducing Inequalities (Socially and Economically Backward Groups)** • Vishwakarma • Childcare Centers	10,750	
5.	**Rural Development and Community Development (Women Empowerment)** • Gram Siddhi • Water Coolers	3,526	
	Total	**7,14,366 lives touched**	

Principle 9

Businesses should engage with and provide value to their customers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a structured grievance redressal system to receive and address consumer complaints effectively. Grievance redressal mechanism is also integrated into loan agreements, ensuring customers are informed about the process. Complaints are logged in the 'Complaint & Grievance Register' at branches during working hours. Additionally, a three step escalation process is in place, if any complaint remains unresolved within 15 days, customers can reach out to the Nodal Officer of the Company via email or phone and finally if complaint is not resolved within 30 days, it can be escalated to NHB via government portals. The detailed Grievance Redressal Policy is available on the Company's website at https://www.aavas.in/resource/grievance-redressal-policy .

Additionally, the Company leverages Customer Relationship Management (CRM) software and advanced digital tools like Salesforce-CRM, chatbots, Application, IVR and online portals to track and enhance complaint resolution efficiently.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100% All loan products, Key Fact Statement (KFS) and Other Most Important Terms & Conditions (MITC) are completely transparent and disclose all product related details. The other MITC is available in 8 languages, including English, Hindi and 6 other regional languages on website of the Company.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising						
Cyber-security						
Delivery of Essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a framework and policy on cyber security and risk related to data privacy. The IT Strategy Committee which is headed by Independent Director of the Company takes care of cyber security framework and policies. Information Security Audit is conducted by Information Security Auditor of the Company and Audit Report is placed before the Audit Committee. The policy can be accessed on the website- https://www.aavas.in/privacy-policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No penalties/regulatory action has been levied/taken on the above parameters.

7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches-** Nil

b. **Percentage of data breaches involving personally identifiable information of customers-** Nil

c. **Impact, if any, of the data breaches -** Nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Detailed information relating to all financial products and services provided by the Company is available on the Company's website, https://www.aavas.in/product as well on its application. In addition, the Company actively uses various social media and digital platforms to disseminate information on its products and services.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company has a Fair Practices Code, KYC Policy, KFS, other MITC, and Schedule of Charges to inform and educate consumers about safe and responsible usage of its services. The same is informed to customers through various modes such as SMS, branches as well as available on the Company's website for transparent and responsible dealings with its customers.

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

   In the event of any disruption/discontinuation of essential services, the BCMP gets activated and as per the process, the Company approaches the customer through physical and digital mode.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. The Company provides the product information through the KFS and other MITC. No, the Company does not carry out any such survey with regard to customer satisfaction relating to its major services.

Annexure-A

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN AAVAS FINANCIERS LIMITED'S BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To
The Board of Directors
Aavas Financiers Limited
Jaipur, Rajasthan, India

1. We have been engaged to perform a limited assurance engagement for Aavas Financiers Limited ('Aavas' or 'the Company') vide our engagement letter dated April 26, 2025, in respect of the data and information pertaining to Core attributes of BRSR (the "Identified Sustainability Information") in accordance with the Criteria stated below. This Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended March 31, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

IDENTIFIED SUSTAINABILITY INFORMATION

2. The Identified Sustainability Information for the financial year ended March 31, 2025 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	• Total energy consumption (in Joules or multiples) and energy intensity • % of energy consumed from renewable sources • Energy intensity
Water footprint	Principle 6 – 3	• Total water consumption • Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	• Greenhouse gas emissions (Scope 1 and Scope 2 emissions) • GHG Emission Intensity (Scope 1 + 2)
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	• Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the Company
	Principle 3 – 11	Details of safety related incidents: • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. Boundary of the report covers Aavas and its operation in India which includes the Corporate Office, Regional Offices and Branches.

4. Our limited assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for the financial year ended 31 March 2025 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and therefore, do not express any conclusion thereon.

CRITERIA

5. The criteria used by the Company to prepare the Identified Sustainability Information is summarised below (‘hereinafter referred to as ‘Criteria’):

   a. Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’) as amended, read with SEBI Master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025; and

   b. SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024 read with BRSR Core Reporting Standard formulated by Industry Standards Forum.

MANAGEMENT’S RESPONSIBILITIES

6. The Company’s management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

PRACTITIONER’S INDEPENDENCE AND QUALITY CONTROL

8. We have complied with the independence and other ethical requirements of International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (‘IESBA’) which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behaviour.

9. Our firm applies International Standard on Quality Management (ISQM) 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PRACTITIONER’S RESPONSIBILITY

10. Our responsibility is to express a limited assurance in the form of a conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

11. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information (‘ISAE 3000 (Revised)’) issued by the International Auditing and Assurance Standards Board (‘IAASB’). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

12. A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, identifying areas where material misstatement is likely to arise in the Identified Sustainability Information whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

13. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

14. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

15. Given the circumstances of the engagement, in performing the procedures listed above, we:

    - Performed walkthrough and discussion with individual data owners for understanding business processes, data management processes, and to verify data and documents;
    - Carried out discussions at the corporate office for data and document verification;
    - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
    - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
    - Evaluated the suitability and application of the Criteria and that the Criteria have been applied appropriately to the subject matter.
    - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
    - Re-performed calculations to check accuracy of claims,
    - Reviewed data from independent sources, wherever available,
    - Reviewed data, information about sustainability performance indicators and statements in the report.
    - Reviewed and verified information/ data as per the Criteria;
    - Reviewed accuracy, transparency and completeness of the information/ data provided;

16. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

EXCLUSIONS:

17. Our limited assurance engagement scope excludes the following and therefore we do not express an opinion on the same:

    - Aspects of the BRSR and data/information (qualitative or quantitative) other than the Identified Sustainability Information.
    - Operations of the Company other than those mentioned in the Identified Sustainability Information section above
    - Data and information outside the defined reporting period
    - Data related to Company's financial performance, strategy and other related linkages expressed in the Identified Sustainability Information.
    - The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
    - Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
    - While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
    - The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

CONCLUSION

18. Based on the procedures we have performed and the evidence we have obtained and the information and explanations given to us along with the representation provided by the management, nothing has come to our attention that causes us to believe that the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2025, is not prepared, in all material respects, in accordance with the Criteria.

RESTRICTION ON USE

19. Our limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

GRANT THORNTON BHARAT LLP

Abhishek Tripathi
Partner
Dated: June 18, 2025
Place: Grant Thornton Bharat LLP
Plot No. 19A, 2nd Floor, Sector – 16A,
Noida - 201301, Uttar Pradesh, India

Independent Auditor's Report

To the Members of
Aavas Financiers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aavas Financiers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), the RBI Guidelines and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 (the "ICAI") 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025 (current year). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Impairment of loans including Expected Credit Losses (ECL)	
At 31 March 2025, the Company reported total gross loans of ₹ 1,633,704.07 lakhs (2024: ₹ 1,408,918.57 lakhs) and ₹ 10,733.14 Lakhs of expected credit loss provisions (2024: ₹ 8,481.89 lakhs).	
Refer note 1 for material accounting policies and notes 5 and 28 for financial disclosures in the accompanying financial statements. Ind AS 109 - Financial Instruments ('Ind AS 109'), requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loan assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to the following procedures: Examined the Board Policy approving methodology for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Company in accordance with the requirements of Ind AS 109. Also, obtained the policy on restructuring of loans approved by the Board of Directors pursuant to the RBI circulars/ guidelines in earlier years and ensured classification of such Loans is in compliant with the requirements of the RBI circulars / guidelines;

Key audit matters	How our audit addressed the key audit matter
The estimation of impairment loss allowance on loan assets involves significant judgement and estimates and applying appropriate measurement principles in case of loss events, including additional considerations on account of Reserve Bank of India guidelines in relation to restructuring. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Additional management overlay is estimated considering non prediction and long-term future impact. The Expected Credit Loss ("ECL") is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets • Determining the criteria for a significant increase in credit risk • Factoring in future economic assumptions • Techniques used to determine probability of default, loss given default and exposure at default These parameters are derived from the Company's internally developed statistical models with the help of management experts and other historical data. Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	• Performed a walkthrough of the impairment loss allowance process, and assessed the design and tested operating effectiveness of the key controls over completeness and accuracy of the key inputs (including loan book as at March 31, 2025) and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; • Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2025 by reconciling it with the balance as per loan balance register. We tested the data used in the PD and LGD model for ECL calculation by reconciling it to the source system. We tested assets in stage 1, 2 and 3 on a sample basis to verify that they were allocated to the appropriate stage; • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Tested the appropriateness of determining Exposure at Default (EAD), PD and LGD, on sample basis. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; • Performed an overall assessment of the ECL provision levels at each stage, including Management's assessment and provision on account of the Company's portfolio, risk profile, credit risk management practices as well as the macroeconomic environment; • Ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021, in relation to identification, upgradation and provisioning of nonperforming assets (NPAs); and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars / guidelines.

Key audit matters	How our audit addressed the key audit matter
Information Technology ("IT") Systems and Controls for the financial reporting process	
The Company is highly dependent on its Information Technology ("IT") systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. Amongst other things, management also uses the information produced by the IT systems for accounting and preparation and presentation of the financial statements. The Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans, computation of daily DPD, assignment of loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Our areas of audit focus included user access management, changes to the IT environment and segregation of duties Further, we focused on key automated controls relevant for financial accounting and reporting systems.	Our key audit procedures with the involvement of our IT specialists included, but were not limited to the following: • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Company IT systems. • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized. • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique. • Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act and the RBI Guidelines. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and 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 Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 financial statements, 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 management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements for the year ended March 31, 2025 (current year) and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of the Company for the year ended March 31, 2024, were audited by another auditor whose report dated April 25, 2024 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 and Note 38 (b) to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

      iv.

         a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 49.13(a) to the financial statements.

         b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 49.13(b) to the financial statements.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (i) and (ii) above, contain any material mis-statement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2025.

vi. Based on our examination which included test checks, the Company has used certain accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVV7641

Mumbai
April 24, 2025

For **Borkar & Muzumdar**
Chartered Accountants
ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 25033254BMINSH4452

Mumbai
April 24, 2025

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AAVAS FINANCIERS LIMITED FOR THE YEAR ENDED MARCH 31, 2025

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the management of the Company during the year, and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and properties of defaulting borrowers obtained by taking possession of collateral under The Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as disclosed in Note 1.15.4 of the financial statements) as disclosed in Note 49.1 of the financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has not been sanctioned any working capital limits by any bank or financial institution during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made and securities given are not prejudicial to the interest of the Company.

(c) In respect of the aforesaid loans and advances in nature of loans, the schedule of repayment of principal and payment of interest have been stipulated by the Company. Considering that the Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been detailed hereunder because it is not practicable to furnish such details owing to the voluminous nature of data.

Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 46.18 to the financial statements), the parties are repaying the principal amounts,

as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2025 is ₹ 17,633.90 lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.

(e) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations provided to us, there are no loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013, are applicable to the Company. The Company has also not made investments through more than two layer of investment companies in accordance with the provisions of section 186 of the Companies Act, 2013. Hence, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.

vii. (b) According to the information and explanations given to us and the records examined by us, dues relating to sub clause (a) which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (in lakhs)	Forum where dispute is pending	Remarks, if any
Goods and Services Tax Act, 2017	Section 61 and Rule 99(1)	1.67	Financial Year 2021-22	Appeal - Joint Commissioner (Appeal) GST
Goods and Services Tax Act, 2017	Section 73	10.30	Financial Year 2020-21	Appeal - Joint Commissioner (Appeal) GST
Goods and Services Tax Act, 2017	Section 74	5.47	Financial Year 2018-19 and 2019-20	Appeal - Joint Commissioner (Appeal) GST

There are no other dues relating to employees' state insurance, income-tax, cess and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit except as mentioned in Note 5(ix) to the accompanying financial statements. The Company has initiated necessary action against such instances.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system comprising internal audit department commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under Master Direction - Exemptions from the provisions of RBI Act, 1934 dated 25 August 2016 (as amended). Accordingly, reporting under clauses 3(xvi) (a) and (b) of the Order are not applicable to the Company.

(b) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(c) There are no other Companies part of the Group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial

year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 as disclosed in Note 40 to the financial statements.

(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Companies Act, 2013 as disclosed in Note 40 to the financial statements.

xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVV7641

Mumbai
April 24, 2025

For **Borkar & Muzumdar**
Chartered Accountants
ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 25033254BMINSH4452

Mumbai
April 24, 2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AAVAS FINANCIERS LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Aavas Financiers Limited on the Financial Statements for the year ended March 31, 2025

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Aavas Financiers Limited (the "Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVV7641

Mumbai
April 24, 2025

For **Borkar & Muzumdar**
Chartered Accountants
ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 25033254BMINSH4452

Mumbai
April 24, 2025

Balance Sheet

As at March 31, 2025

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	2	1,131.30	2,055.80
Bank balance other than cash and cash equivalents	2	1,54,831.88	1,77,726.36
Derivative financial instruments	3	104.87	-
Receivables	4	1,136.54	1,221.93
Loans	5	16,22,970.93	14,00,436.68
Investments	6	23,001.84	18,215.63
Other financial assets	7	41,998.85	36,442.72
Total financial assets		**18,45,176.21**	**16,36,099.12**
Non-financial assets			
Current tax assets (net)		73.25	1,176.31
Property, plant and equipment	8(a)	3,039.88	2,966.40
Capital work-in-progress	8(b)	-	-
Intangible assets under development	8(c)	1,040.09	1,120.53
Intangible assets	8(d)	4,161.37	3,061.20
Right-of-use assets	9	6,169.93	5,571.98
Other non-financial assets	10	2,186.67	1,758.88
Total non-financial assets		**16,671.19**	**15,655.30**
Assets held for sale	11	**-**	**190.94**
Total assets		**18,61,847.40**	**16,51,945.36**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	12		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		97.48	30.65
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		391.01	3,063.29
Debt securities	13	1,72,747.49	1,41,255.95
Borrowings (other than debt securities)	14	12,12,238.95	10,93,754.83
Lease liabilities	15	6,861.13	6,181.14
Other financial liabilities	16	20,487.86	18,781.62
Total financial liabilities		**14,12,823.92**	**12,63,067.48**
Non-financial liabilities			
Provisions	17	913.56	840.30
Deferred tax liabilities (net)	18	7,557.15	6,024.78
Other non-financial liabilities	19	4,469.54	4,681.28
Total non-financial liabilities		**12,940.25**	**11,546.36**
Total liabilities		**14,25,764.17**	**12,74,613.84**
Equity			
Equity share capital	20	7,915.37	7,913.97
Other equity	21	4,28,167.86	3,69,417.55
Total equity		**4,36,083.23**	**3,77,331.52**
Total liabilities and equity		**18,61,847.40**	**16,51,945.36**
Summary of material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Tushar Kurani
Partner
Membership No. 118580

For **Borkar & Muzumdar**
Chartered Accountants
Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Nishant Sharma
(Non-executive Promoter Nominee Director)
DIN: 03117012

Sachinderpalsingh Jitendrasingh Bhinder
(Managing Director and CEO)
DIN: 08697657

Ghanshyam Rawat
(President and Chief Financial Officer)

Saurabh Sharma
(Company Secretary and Compliance Officer)
ACS-60350

Place : Mumbai
Date : April 24, 2025

Statement of Profit and Loss

For the year ended March 31, 2025

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	22	2,01,767.67	1,73,465.04
Fees and commission income	23	10,753.74	8,671.68
Gain on derecognition of financial instruments under amortised cost category		20,743.56	17,954.91
Net gain on fair value changes	24	2,185.55	1,658.19
Total revenue from operations		**2,35,450.52**	**2,01,749.82**
Other income	25	390.98	279.82
Total income		**2,35,841.50**	**2,02,029.64**
Expenses			
Finance costs	26	1,00,746.84	82,836.07
Fees and commission expense	27	832.45	755.31
Impairment on financial instruments	28	2,712.43	2,447.37
Employee benefits expense	29	37,775.73	35,591.03
Depreciation, amortization and impairment	8&9	3,645.15	3,265.98
Other expenses	30	16,869.99	14,688.90
Total expenses		**1,62,582.59**	**1,39,584.66**
Profit before tax		**73,258.91**	**62,444.98**
Tax expense:	18		
(1) Current tax		14,315.72	12,368.54
(2) Deferred tax		1,532.37	1,007.02
Profit after tax for the year		**57,410.82**	**49,069.42**
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	29	31.62	20.26
Income tax effect	18	(7.96)	(5.10)
b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income/(Loss) , net of income tax		**23.66**	**15.16**
Total comprehensive income for the year		**57,434.48**	**49,084.58**
Earnings per equity share	31		
Basic (₹)		72.54	62.03
Diluted (₹)		71.97	61.93
Nominal value per share (₹)		10.00	10.00
Summary of material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Tushar Kurani
Partner
Membership No. 118580

For **Borkar & Muzumdar**
Chartered Accountants
Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Nishant Sharma
(Non-executive Promoter Nominee Director)
DIN: 03117012

Sachinderpalsingh Jitendrasingh Bhinder
(Managing Director and CEO)
DIN: 08697657

Ghanshyam Rawat
(President and Chief Financial Officer)

Saurabh Sharma
(Company Secretary and Compliance Officer)
ACS-60350

Place : Mumbai
Date : April 24, 2025

Statement of Changes in Equity

For the year ended March 31, 2025

a. Equity Share Capital

(₹ in lakh)

Particulars	Amount
Balance as at April 01, 2023	**7,905.69**
Changes in equity share capital during the year	8.28
Balance as at March 31, 2024	**7,913.97**
Changes in equity share capital during the year	1.40
Balance as at March 31, 2025	**7,915.37**

b. Other Equity

(₹ in lakh)

Particulars	Share application money pending allotment	Reserve and Surplus				Total
		Securities premium	Share based payments reserve	Special Reserve	Retained earnings	
Balance as at April 01, 2023	**6.68**	**1,35,963.21**	**4,413.82**	**34,847.12**	**1,43,829.48**	**3,19,060.31**
Profit for the year (A)	-	-	-	-	49,069.42	49,069.42
Other comprehensive income for the year (B)	-	-	-	-	15.16	15.16
Total comprehensive income for the year (A+B)	**-**	**-**	**-**	**-**	**49,084.58**	**49,084.58**
Transfer to special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of the Income Tax Act. 1961.	-	-	-	9,816.92	(9,816.92)	-
Any other change :						
Application money received/(adjusted) during the year	(6.68)	-	-	-	-	(6.68)
Issue of share capital	-	223.60	-	-	-	223.60
Share based payments	-	-	860.46	-	-	860.46
Share options exercised during the year	-	120.13	(120.13)	-	195.28	195.28
Balance as at March 31, 2024	**-**	**1,36,306.94**	**5,154.15**	**44,664.04**	**1,83,292.42**	**3,69,417.55**
Profit for the year (C)	-	-	-	-	57,410.82	57,410.82
Other comprehensive income for the year (D)	-	-	-	-	23.66	23.66
Total comprehensive income for the year (C+D)	-	-	-	-	57,434.48	57,434.48
Transfer to special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of the Income Tax Act. 1961.	-	-	-	11,486.89	(11,486.89)	-

Statement of Changes in Equity

For the year ended March 31, 2025

(₹ in lakh)

Particulars	Share application money pending allotment	Reserve and Surplus				Total
		Securities premium	Share based payments reserve	Special Reserve	Retained earnings	
Any other change:						
Application money received/(adjusted) during the year	0.01	-	-	-	-	0.01
Issue of share capital	-	29.18	-	-	-	29.18
Share based payments	-	-	1,274.96	-	-	1,274.96
Share options exercised during the year	-	157.90	(157.90)	-	11.68	11.68
Balance as at March 31, 2025	**0.01**	**1,36,494.02**	**6,271.21**	**56,150.93**	**2,29,251.69**	**4,28,167.86**

Refer Note No. 1 of Summary of material accounting policies

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Tushar Kurani
Partner
Membership No. 118580

For **Borkar & Muzumdar**
Chartered Accountants
Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Nishant Sharma
(Non-executive Promoter Nominee Director)
DIN: 03117012

Sachinderpalsingh Jitendrasingh Bhinder
(Managing Director and CEO)
DIN: 08697657

Ghanshyam Rawat
(President and Chief Financial Officer)

Saurabh Sharma
(Company Secretary and Compliance Officer)
ACS-60350

Place : Mumbai
Date : April 24, 2025

Statement of Cash flow

For the year ended March 31, 2025

₹ In lakh

	Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
A	**Cash Flows from Operating Activities**			
	Net profit before tax as per statement of profit and loss		**73,258.91**	**62,444.98**
	Adjustments for :			
	Depreciation and amortisation property, plant and equipment and right of use assets	8 & 9	3,645.15	3,265.98
	Interest on lease liabilities		503.64	627.86
	Net gain on derecognition on assigned loans		(5,851.95)	(5,191.91)
	Loss/(Gain) on voluntary liquidation of erstwhile subsidiary company	28	(5.18)	59.50
	(Gain) on sale of Property, plant and equipment		(47.71)	(30.80)
	Provision for expected credit loss (ECL)	28	2,717.61	2,387.87
	Provision for employee benefits		145.79	191.67
	Net gain on fair value changes	24	(2,315.04)	(1,658.19)
	Derivative mark to market gain	24	129.49	-
	Share based payments	29	1,274.96	860.46
	Operating profit before working capital changes		**73,455.67**	**62,957.42**
	Changes in working capital			
	(Increase) in loans		(2,25,280.01)	(2,54,636.13)
	(Increase)/Decrease in financial and other assets		131.59	(2,192.21)
	Increase/(Decrease) in financial and other liabilities		(1,110.95)	6,875.54
	Total of changes in working capital		**(2,26,259.37)**	**(2,49,952.80)**
	Direct taxes paid		(13,208.92)	(13,055.77)
	Net cash flow (used) in operating activities (A)		**(1,66,012.62)**	**(2,00,051.15)**
B	**Cash flow from investing activities:**			
	Inflow (outflow) on account of :			
	Proceeds from voluntary liquidation of erstwhile subsidiary company		5.18	1,176.34
	Net gain on sale/ purchase of Mutual Fund	24	2,315.04	1,658.19
	Purchase of government securities		(2,305.42)	(7,143.42)
	Investment in Treasury Bills		(2,480.79)	-
	(Investment)/ Redemption of fixed deposits		22,894.48	(57,230.54)
	Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	8	(3,007.06)	(3,274.41)
	Proceeds from sale of Property, plant and equipment		201.11	164.33
	Net cash flow (used) in /from investing activities (B)		**17,622.54**	**(64,649.51)**

Statement of Cash flow

For the year ended March 31, 2025

₹ In lakh

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
C. Cash Flows from Financing Activities			
Issue of equity shares (including share premium)		30.57	225.20
Share / debenture issue expenses		(684.99)	(4.99)
Proceeds from borrowings		4,57,778.28	4,50,973.46
Repayment of borrowings		(3,07,351.99)	(2,00,026.76)
Repayment of lease liabilities (Including Interest)		(2,306.29)	(2,077.33)
Net Cash flow generated from financing activities (C)		**1,47,465.58**	**2,49,089.58**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(924.50)**	**(15,611.08)**
Cash and cash equivalents as at the beginning of the year		2,055.80	17,666.88
Cash and cash equivalents as at the end of the year	2	**1,131.30**	**2,055.80**
Components of cash and cash equivalents			
Cash on Hand		296.44	336.11
Balance in franking machine*		0.95	0.95
Balance with banks			
In current accounts		2.44	15.81
In cash credit		831.47	1,202.93
In deposit accounts		-	500.00
Total cash and cash equivalents	2	**1,131.30**	**2,055.80**
Operational Cash Flow from Interest			
Interest Received		1,98,692.33	1,67,334.71
Interest Paid		(95,029.81)	(77,560.11)
Summary of material accounting policies	1		

* The Company can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Refer note no. 14(g) for changes in liabilities arising from financing activities.

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Tushar Kurani
Partner
Membership No. 118580

For **Borkar & Muzumdar**
Chartered Accountants
Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Nishant Sharma
(Non-executive Promoter Nominee Director)
DIN: 03117012

Sachinderpalsingh Jitendrasingh Bhinder
(Managing Director and CEO)
DIN: 08697657

Ghanshyam Rawat
(President and Chief Financial Officer)

Saurabh Sharma
(Company Secretary and Compliance Officer)
ACS-60350

Place : Mumbai
Date : April 24, 2025

Notes to the Financial Statements

For the year ended March 31, 2025

A Corporate information

AAVAS FINANCIERS LIMITED ("the Company") (Corporate ID No. L65922RJ2011PLC034297) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company with National Housing Bank (NHB) vide Registration No. 04.0151.17 and is engaged in the long term financing activity in the domestic markets to provide housing finance. The Company is a public limited company and its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has its registered office at ,201-202,2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India. The Company has been classified as NBFC- ML (middle layer) as per Scale Based Regulation issued by RBI.

B Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and the relevant provisions of the National Housing Bank Act, 1987 as amended from time to time and the Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') as amended from time to time and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time.

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank (´NHB) to the extent applicable. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The financial statements have been prepared on a historical cost basis, except for, derivative financial instruments and other financial assets held for trading and all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

The financial statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 24, 2025.

The Board of Directors of the Company in its meeting held on October 26, 2023 approved Voluntary Liquidation of wholly owned erstwhile subsidiary - Aavas Finserv Limited effective from November 03, 2023 and the company has received dissolution order from NCLT dated January 28, 2025. The Company doesn't have any subsidiary/associate/joint venture company(ies), as on March 31, 2025. Hence it is not required to prepare its consolidated financial statement.

C Use of estimates

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial

Notes to the Financial Statements

For the year ended March 31, 2025

assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion').

b) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's model, which assigns Probability of default (PD)s
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and loss given default (LGD)s
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

d) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

e) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Financial Statements

For the year ended March 31, 2025

1 Summary of material accounting policies

1.1 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account and balance in franking machine.

1.2 Revenue recognition

1.2.1 Interest and similar income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the contractual life of the financial instrument to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

1.2.2 Other charges and other interest

1.2.2.1 Overdue interest in respect of loans is recognized upon realisation.

1.2.2.2 Other ancillary charges are recognized upon realisation.

1.2.3 Commission on Insurance Policies

Commission on insurance policies sold is recognised on accrual basis when the Company under its agency code sells the insurance policies.

1.3 Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

1.4 Property, plant and equipment (PPE) and Intangible assets

Property, plant and equipment

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to

Notes to the Financial Statements

For the year ended March 31, 2025

the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

1.5 Depreciation and amortization

Depreciation

Depreciation on tangible assets is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying written down value method. The Company has used the following useful lives to provide depreciation on its PPE.

Property, plant and equipment (PPE)	Useful Life (In Years)
Freehold Land	NIL
Building	60
Furniture and fixtures	10
Motor Vehicles	8
Servers	6
Office equipment	5
Computers and printers	3

All PPE individually costing ₹ 5,000/- or less are fully depreciated in the year of installation/purchase.

Amortization

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset to be between four to ten years from the date when the asset is available for use. Life of intangible assets are assessed by the Company on best estimate available at the time of capitalisation and persuasive evidence wherever required.

1.6 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate. Subsequently, the lease liability is

(i) Increased by interest on lease liability;

(ii) Reduced by lease payment made;

Notes to the Financial Statements

For the year ended March 31, 2025

Measurement of Right-of-Use asset

At the time of initial recognition, the Company measures 'Right-of-Use assets' as present value of all lease payment discounted using the Company's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, 'Right-of-Use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

1.7 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Contingent liabilities , Contingent assets and Commitments

The Company does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

Commitments are future contractual liabilities, classified and disclosed as follows:

- The estimated amount of contracts remaining to be executed on capital account and not provided for;

Notes to the Financial Statements

For the year ended March 31, 2025

- Undisbursed commitment relating to loans; and
- Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management

1.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in Profit or Loss on the earlier of: The date of the plan amendment or curtailment, and The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other Long term benefits wherein the Company's liability is ascertainable and is payable over a period more than a year is charged to the Profit & loss account on proportionate basis.

1.11 Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Notes to the Financial Statements

For the year ended March 31, 2025

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority basis the criteria given in IND as 12 "Income Taxes".

1.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.13 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 33.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.14.1 Financial Assets

1.14.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and

Notes to the Financial Statements

For the year ended March 31, 2025

advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade Receivable is measured at their transaction price (as defined in Ind AS 115) on initial recognition.

1.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) and through profit or loss (FVTPL)

1.14.1.3 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.14.1.4 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.14.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Notes to the Financial Statements

For the year ended March 31, 2025

1.14.1.6 Business Model Test

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis. The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel; The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model.

1.14.1.7 Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.14.2 Financial Liabilities

1.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

1.14.2.2 Classification and Subsequent measurement - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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For the year ended March 31, 2025

1.14.2.3 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

1.14.3 Derivative financial instruments

The Company holds derivative to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss.

1.14.4 Reclassification of financial assets and liabilities

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

1.14.5 De-recognition of financial assets and liabilities

1.14.5.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

A financial asset is treated as transferred by company if, and only if:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

  Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

Notes to the Financial Statements

For the year ended March 31, 2025

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of behaviour cash flow of the future EIS, entered into with the assignee, upfront in the Statement of Profit and Loss. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial instruments'.

1.14.5.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

1.15 Impairment of financial assets

1.15.1 Overview of the ECL principles

The Company records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and Excess Interest Spread (EIS) receivable, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 5(a)(3)(v).

The 12m ECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12m ECL are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 5(a)(1).

Notes to the Financial Statements

For the year ended March 31, 2025

The Company has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition. This is further explained in Note5(a)(3)(v).

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired (as outlined in Note 5(a)(3)(i)). The Company records an allowance for the LTECL.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced.

1.15.2 The calculation of ECL

The Company calculates ECL on loans and EIS Receivable based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Loan commitments: When estimating ECL for undisbursed loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.For loan commitments, the ECL is recognised within Provisions.

Provisions for ECL for undisbursed loan commitments are assessed as set out in Note 5(a)(2).

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a default date. The EAD is further explained in Note 5(a)(3)(iii).
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 5(a)(3)(iv).

The maximum year for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Notes to the Financial Statements

For the year ended March 31, 2025

Stage 3: For loans considered credit-impaired (as defined in Note 5(a)(3)(i)), the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

1.15.3 Forward looking information

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation, Government Expenditure etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Annual data from 2018 to 2028 (including forecasts for 4 years) were obtained from World Economic Outlook, October 2023 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasicek model has been incorporated to find the Point in Time (PIT) PD. The company has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

1.15.4 Collateral repossession

To mitigate the credit risk on financial assets, the Company seeks to possess collateral, wherever required as per the powers conferred on the HFC under SARFAESI act. In its normal course of business, the company does not physically repossess properties or other assets in its retail portfolio, but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the residential properties under legal repossession are not continued under loans and advances and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principle outstanding, whichever is less, at the repossession date. With effect from April 01, 2022, the Company has discontinued the treatment of accounting and disclosing such cases as asset held for sale (AFS) and such cases continue to be included as part of the loan portfolio (EAD) as at the balance sheet date. Considering the impracticability involved in verifying the cases under SARFAESI till March 31, 2022, the change is effected prospectively by the Company in these financials statement.

1.15.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.

1.16 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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For the year ended March 31, 2025

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL.

1.17 New Technical Pronouncement

There is no such notification which would have been applicable from April 01, 2025.

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For the year ended March 31, 2025

2 Cash and bank balances

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand (refer note 2(a))	297.39	337.06
Balance with banks		
In Current accounts	2.44	15.81
In Cash credit accounts	831.47	1,202.93
In Deposits with original maturity of less than three months	-	500.00
	1,131.30	**2,055.80**
Bank balances other than above (refer note 2(b))		
Deposit with original maturity of more than 3 months less than 12 months	154,200.06	176,842.28
Deposit with original maturity of more than 12 months	631.82	884.08
	154,831.88	**177,726.36**
Total	**155,963.18**	**179,782.16**

2(a) Cash on hand includes of ₹ 0.95 lakh (P.Y. ₹ 0.95 lakh) balance of franking machine.

2(b) Other Bank Balance in deposit accounts include deposits under lien aggregating to ₹ 2,596.58 lakh (P.Y. ₹ 2,596.58 lakh) towards the first loss guarantee provided by the Company under the securitization agreements.

3 Derivative financial instruments

(₹ in lakh)

Particulars	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
As at March 31, 2025			
Currency Derivatives:			
Spot and forwards	20,427.76	104.87	-
Total derivative financial instruments	**20,427.76**	**104.87**	**-**
As at March 31, 2024			
Currency Derivatives:			
Spot and forwards	-	-	-
Total derivative financial instruments	**-**	**-**	**-**

3(a) The Company has booked forward contract to manage its foreign currency risk arising from borrowings in foreign currencies. These contract have chosen not to designated in a hedging relationship and are entered into for periods consistent almost with exposure of the underlying transactions.

3(b) Notional amount of respective forward contract have been converted using exchange rate at the balance sheet date.

Notes to the Financial Statements

For the year ended March 31, 2025

4 Receivables

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Receivables		
(i) Undisputed Trade receivables -considered good	1,136.54	1,221.93
	1,136.54	**1,221.93**

4(i) Trade receivables includes amounts due from the related parties amounting to ₹ Nil as on March 31, 2025 (P.Y. ₹ 5.00 lakh) (refer Note 36)

4(ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

4(iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

4(iv) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

4(v) **Receivables Ageing Schedule:**

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment							
As at March 31, 2025	Unbilled Revenue	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	-	-	1,131.51	4.13	0.90	-	-	1,136.54
Total	**-**	**-**	**1,131.51**	**4.13**	**0.90**	**-**	**-**	**1,136.54**

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment							
As at March 31, 2024	Unbilled Revenue	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	-	-	1,221.93	-	-	-	-	1,221.93
Total	**-**	**-**	**1,221.93**	**-**	**-**	**-**	**-**	**1,221.93**

Notes to the Financial Statements

For the year ended March 31, 2025

5 Loans

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Housing and Other Loan Assets - Term Loans	16,33,704.07	14,08,918.57
Total Gross	**16,33,704.07**	**14,08,918.57**
Less: Impairment loss allowance	(10,733.14)	(8,481.89)
Total Net	**16,22,970.93**	**14,00,436.68**
Secured by tangible assets (Property including land and building)	16,33,704.07	14,08,918.57
Total Gross	**16,33,704.07**	**14,08,918.57**
Less: Impairment loss allowance	(10,733.14)	(8,481.89)
Total Net	**16,22,970.93**	**14,00,436.68**
Loans in India		
Public Sector	-	-
Others	16,33,704.07	14,08,918.57
Total Gross	**16,33,704.07**	**14,08,918.57**
Less: Impairment loss allowance	(10,733.14)	(8,481.89)
Total Net	**16,22,970.93**	**14,00,436.68**

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies. The process of security creation was in progress for loans to the extent of ₹ 37,515.01 lakh at March 31, 2025 (P.Y. ₹ 35,026.27 lakh)

iii) Loans sanctioned but undisbursed amount is ₹ 63,869.02 lakh as on March 31, 2025 (P.Y. 60,625.86 lakh)

iv) The company is not granting any loans against gold jewellery as collateral.

v) The company is not granting any loans against security of shares as collateral.

vi) The Company has assigned a pool of loans amounting to ₹ 1,69,178.29 lakh (P.Y. ₹ 1,38,107.04 lakh) by way of a direct assignment transaction during the year. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts (refer Note no. 47).

vii) The Company has transfered a pool of loans amounting to ₹ 12,602.47 lakh (P.Y. 541.30 lakh) by way of a Co-lending transaction during the year.

viii) The Company has granted loans to staff secured by equitable mortgage/registered mortgage of the property amounting to ₹ 5,006.24 lakh as on March 31, 2025 (P.Y. ₹ 4,488.76 lakh).

ix) As per RBI Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, Loan assets include Four loans of ₹ 85.86 lakh (P.Y. two loan of ₹ 26.18 lakh), which became doubtful due to fraudulent misrepresentation by the borrowers and same has been provided for.

Notes to the Financial Statements

For the year ended March 31, 2025

x) Refer to note 1.15.4, loan assets includes cases admitted under SARFAESI aggregating ₹ 6,357.14 lakh (P.Y. ₹ 4,299.55 lakh) with effect from April 01, 2022.

5(a)(1) Grouping financial assets measured on a collective basis

As explained in Note 1.15, the Company calculates ECLs on collective basis on following asset classes:

- Housing-Salaried lending
- Housing-Self Employed lending
- Non Housing-Salaried lending
- Non Housing-Self Employed lending

The Company groups these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans such as product type and customer type.

An analysis of changes in the gross carrying amount of loans and the corresponding ECL allowances in relation to loans are, as follows:

(₹ in lakh)

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**13,75,074.16**	**20,658.63**	**13,185.78**	**14,08,918.57**	**11,23,184.24**	**20,935.24**	**10,668.99**	**11,54,788.47**
New assets originated	5,60,636.25	-	-	**5,60,636.25**	5,20,067.09	-	-	**5,20,067.09**
Assets derecognised or repaid	(3,28,496.22)	(4,003.03)	(2,898.47)	**(3,35,397.72)**	(2,58,933.07)	(4,056.16)	(2,483.85)	**(2,65,473.08)**
Transfers from Stage 1	(20,259.49)	13,167.39	7,092.10	**-**	(13,745.49)	8,922.59	4,822.90	**-**
Transfers from Stage 2	4,151.75	(6,214.89)	2,063.14	**-**	3,566.83	(5,698.13)	2,131.30	**-**
Transfers from Stage 3	883.45	472.16	(1,355.61)	**-**	934.56	555.09	(1,489.65)	**-**
Amounts written off	-	-	(453.03)	**(453.03)**	-	-	(463.91)	**(463.91)**
Gross carrying amount closing balance	**15,91,989.90**	**24,080.26**	**17,633.91**	**16,33,704.07**	**13,75,074.16**	**20,658.63**	**13,185.78**	**14,08,918.57**

Reconciliation of ECL balance is given below:

(₹ in lakh)

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL opening balance	**3,157.74**	**1,524.99**	**3,799.16**	**8,481.89**	**2,596.40**	**1,694.09**	**2,870.53**	**7,161.02**
ECL Remeasurements due to changes in EAD/ Credit Risk/Assumptions (Net)	(835.79)	1,216.61	1,870.43	**2,251.25**	585.22	(83.27)	818.92	**1,320.87**
Transfers from Stage 1	(52.03)	33.95	18.08	**-**	(35.63)	23.00	12.63	**-**
Transfers from Stage 2	46.83	(172.41)	125.58	**-**	9.33	(176.22)	166.89	**-**
Transfers from Stage 3	22.47	71.51	(93.98)	**-**	2.42	67.39	(69.81)	**-**
Amounts written off	-	-	-	**-**	-	-	-	**-**
ECL closing balance	**2,339.22**	**2,674.65**	**5,719.27**	**10,733.14**	**3,157.74**	**1,524.99**	**3,799.16**	**8,481.89**

Notes to the Financial Statements

For the year ended March 31, 2025

5(a)(2) Loan commitments

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is, as follows:

(₹ in lakh)

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**60,475.93**	**149.93**	**-**	**60,625.86**	**53,729.88**	**142.72**	**29.00**	**53,901.60**
New assets originated	51,034.74	-	-	**51,034.74**	51,747.09	-	-	**51,747.09**
Assets disbursed or cancelled	(47,650.31)	(141.27)	-	**(47,791.58)**	(44,865.69)	(128.14)	(29.00)	**(45,022.83)**
Transfers from Stage 1	(142.22)	142.22	-	**-**	(142.32)	142.32	-	**-**
Transfers from Stage 2	-	-	-	**-**	6.97	(6.97)		**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
Gross carrying amount closing balance	**63,718.14**	**150.88**	**-**	**63,869.02**	**60,475.93**	**149.93**	**-**	**60,625.86**

Reconciliation of ECL balance is given below:

(₹ in lakh)

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL opening balance	**139.20**	**2.66**	**-**	**141.86**	**123.64**	**2.63**	**6.87**	**133.14**
ECL Remeasurements due to changes in EAD/Credit Risk/ Assumptions (Net)	(65.24)	24.32	-	**(40.92)**	15.87	(0.28)	(6.87)	**8.72**
Transfers from Stage 1	(0.38)	0.38	-	**-**	(0.33)	0.33		**-**
Transfers from Stage 2	-	-	-	**-**	0.02	(0.02)		**-**
Transfers from Stage 3	-	-	-	**-**	-	-	-	**-**
ECL closing balance	**73.58**	**27.36**	**-**	**100.94**	**139.20**	**2.66**	**-**	**141.86**

5(a)(3) Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of material accounting policies.

5(a)(3)(i) Definition of default

The Company considers a loan assets as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due (DPD) on its contractual payments on any day irrespective of reporting cycle. Company upgrade stage 3 cases only if entire arrears of interest and principal are paid by the borrower i.e. DPD becomes zero. The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognized and is still in the portfolio.

Notes to the Financial Statements

For the year ended March 31, 2025

5(a)(3)(ii) The Company's process for managing risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers, investments in debt securities and derivatives that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

5(a)(3)(iii) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the loan assets subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the loan assets.

5(a)(3)(iv) Loss given default

The Company segments its retail lending products into smaller homogeneous portfolios (housing and non housing), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

5(a)(3)(v) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether a loan asset or a portfolio of loan assets is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

During the financial year ended March 31, 2022, RBI issued resolution framework 2.0 dated May 05, 2021 accordance with that Company offered moratorium on payment of all installment and/or interest as applicable to all eligiable borrowers. For all such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms). The Company continues to monitor such cases and takes necessary action based on the repayments and the resolution framework 2.0.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

5(a)(3)(vi) Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

5(a)(4) Collateral

The Company holds collateral to mitigate credit risk associated with financial assets.The main types of collateral are registered /equitable mortgage property. The collateral presented relates to loan assets that are measured at amortised cost.

The Company did not hold any loan assets for which no loss allowance is recognised because of collateral at March 31, 2025. Refer note 44(C) for risk concentration based on Loan to value(LTV).

Notes to the Financial Statements

For the year ended March 31, 2025

6 Investments

₹ In Lakhs

Particulars	Amortised Cost	At fair Value			Others	Total
		Through other comprehensive income	Through profit or loss	Subtotal		
As at March 31, 2025						
Government Securities (Refer note 6(a))	20,521.05	-	-	-	-	20,521.05
Treasury Bill (Refer note 6(b))	2,480.79	-	-	-	-	2,480.79
Total Gross (A)	**23,001.84**	**-**	**-**	**-**	**-**	**23,001.84**
Investments outside India	-	-	-	-	-	-
Investments in India	23,001.84	-	-	-	-	23,001.84
Total (B)	**23,001.84**	**-**	**-**	**-**	**-**	**23,001.84**
Total (A) to tally with (B)	**23,001.84**	**-**	**-**	**-**	**-**	**23,001.84**
Less: Allowance for Impairment loss (C)	-	-	-	-		-
Total Net D = (A) -(C)	**23,001.84**	**-**	**-**	**-**	**-**	**23,001.84**
As at March 31, 2024						
Government Securities (Refer note 6(a))	18,215.63	-	-	-	-	18,215.63
Treasury Bill (Refer note 6(b))	-	-	-	-	-	-
Total Gross (A)	**18,215.63**	**-**	**-**	**-**	**-**	**18,215.63**
Investments outside India	-	-	-	-	-	-
Investments in India	18,215.63	-	-	-	-	18,215.63
Total (B)	**18,215.63**	**-**	**-**	**-**	**-**	**18,215.63**
Total (A) to tally with (B)	**18,215.63**	**-**	**-**	**-**	**-**	**18,215.63**
Less: Allowance for Impairment loss (C)	-	-	-	-		-
Total Net D = (A) -(C)	**18,215.63**	**-**	**-**	**-**	**-**	**18,215.63**

Notes to the Financial Statements

For the year ended March 31, 2025

6(a) Detail of investment in Government Securities

₹ In Lakhs

Particulars	ISIN No	Deal Date	Maturity Date	Price	As at March 31, 2025	As at March 31, 2024
9.15% GOI 2024	IN0020110048	30-Nov-21	14-Nov-24	110.60	-	2,886.56
8.20% GOI 2025	IN0020120047	01-Dec-21	24-Sep-25	109.09	2,028.21	2,078.36
6.18% GOI 2024	IN0020190396	09-Oct-22	04-Nov-24	98.07	-	2,548.37
5.22% GOI 2025	IN0020200112	01-Dec-22	15-Jun-25	96.13	3,542.04	3,486.11
6.99% GOI 2026	IN0020230028	09-Jun-23	17-Apr-26	100.09	3,096.52	3,097.54
8.33% GOI 2026	IN0020120039	05-Nov-23	09-Jul-26	102.41	2,577.45	2,599.22
8.27% GJ SDL 2026	IN1520150104	27-Feb-24	13-Jan-26	101.68	492.08	496.25
7.39% MH SDL 2026	IN2220160104	28-Feb-24	09-Nov-26	100.18	515.14	515.48
7.06% RJ SDL 2026	IN2920160214	28-Feb-24	14-Dec-26	99.43	508.70	507.74
8.28% GOVT. STOCK 2027	IN0020070069	08-Aug-24	21-Sep-27	104.16	2,589.93	-
7.38% GOVT. STOCK 2027	IN0020220037	19-Nov-24	20-Jun-27	101.55	5,170.98	-
Total					20,521.05	**18,215.63**

6(b) Detail of investment in Treasury Bill

₹ In Lakhs

Particulars	ISIN No	Deal Date	Maturity Date	Price	As at March 31, 2025	As at March 31, 2024
182D-TB (15MAY25)	IN002024Y316	28-Feb-25	15-May-25	98.73	2,480.79	-

7 Other financial assets

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued on Bank Deposits	2,369.08	2,699.22
Security Deposit	588.31	529.04
EIS Receivable (Refer note 7(a))	39,189.01	33,337.07
Total Gross	**42,146.40**	**36,565.33**
Less: Impairment loss allowance (on EIS Receivable assets)	(147.55)	(122.61)
Total Net	**41,998.85**	**36,442.72**

7(a) Under Ind AS, with respect to assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of profit and loss for the year, which has been computed by discounting EIS to present value.

Notes to the Financial Statements

For the year ended March 31, 2025

8(a) Property, plant and equipment

(₹ In lakh)

Particulars	Building and premises	Computers and printers	Furniture and fixtures	Motor vehicles	Office equipment	Land	Total
Cost							
As at April 01, 2023	**1,041.53**	**2,894.69**	**2,466.53**	**930.95**	**1,171.90**	**4.95**	**8,510.55**
Purchase	-	476.15	279.11	300.11	228.43	-	1,283.80
Disposals	-	(155.64)	(42.50)	(310.89)	(38.44)	-	(547.47)
As at March 31, 2024	**1,041.53**	**3,215.20**	**2,703.14**	**920.17**	**1,361.89**	**4.95**	**9,246.88**
Purchase	-	729.80	222.07	372.51	209.59	-	1,533.97
Disposals	-	(213.51)	(113.10)	(239.95)	(86.73)	-	(653.29)
As at March 31, 2025	**1,041.53**	**3,731.49**	**2,812.11**	**1,052.73**	**1,484.75**	**4.95**	**10,127.56**
Accumulated depreciation							
As at April 01, 2023	**274.19**	**2,167.78**	**1,612.50**	**458.89**	**838.61**	**-**	**5,351.97**
Charge for the year	37.41	591.43	321.52	171.56	220.53	-	1,342.45
Disposals	-	(147.85)	(38.91)	(191.81)	(35.37)	-	(413.94)
As at March 31, 2024	**311.60**	**2,611.36**	**1,895.11**	**438.64**	**1,023.77**	**-**	**6,280.48**
Charge for the year	35.55	576.03	290.46	189.93	215.12	-	1,307.09
Disposals	-	(203.28)	(93.48)	(122.19)	(80.94)	-	(499.89)
As at March 31, 2025	**347.15**	**2,984.11**	**2,092.09**	**506.38**	**1,157.95**	**-**	**7,087.68**
Net Block							
As at March 31, 2024	**729.93**	**603.84**	**808.03**	**481.53**	**338.12**	**4.95**	**2,966.40**
As at March 31, 2025	**694.38**	**747.38**	**720.02**	**546.35**	**326.80**	**4.95**	**3,039.88**

8(b) Capital work-in-progress (refer note 8(b)(i))

	PPE	Total
Gross block		
As at April 01, 2023	**-**	**-**
Capitalised during the year	-	-
Purchase	-	-
As at March 31, 2024	**-**	**-**
Capitalised during the year	-	-
Purchase	-	-
As at March 31, 2025	**-**	**-**

Notes to the Financial Statements

For the year ended March 31, 2025

8(c) Intangible assets under development (refer note 8(c)(i))

	Software	Total
Gross block		
As at April 01, 2023	**2,036.69**	**2,036.69**
Capitalised during the year	(3,168.08)	(3,168.08)
Purchase	2,251.92	2,251.92
As at March 31, 2024	**1,120.53**	**1,120.53**
Capitalised during the year	(1,472.77)	(1,472.77)
Purchase	1,392.33	1,392.33
As at March 31, 2025	**1,040.09**	**1,040.09**

8(d) Intangible assets

	Software / Other intangible assets	Total
Gross block		
As at April 01, 2023	**1,476.82**	**1,476.82**
Purchase	2,906.77	2,906.77
Disposals	-	-
As at March 31, 2024	**4,383.59**	**4,383.59**
Purchase	1,553.52	1,553.52
Disposals	-	-
As at March 31, 2025	**5,937.11**	**5,937.11**
Accumulated amortization		
As at April 01, 2023	**1,060.62**	**1,060.62**
Charge for the year	261.77	261.77
As at March 31, 2024	**1,322.39**	**1,322.39**
Charge for the year	453.35	453.35
As at March 31, 2025	**1,775.74**	**1,775.74**
Net block		
As at March 31, 2024	**3,061.20**	**3,061.20**
As at March 31, 2025	**4,161.37**	**4,161.37**

8(b)(i) Capital-Work-in Progress (CWIP)

(a) CWIP aging schedule- There is no balance of Capital-Work-in-Progress(CWIP) available as on March 31, 2025 and March 31, 2024.

(b) No case of capital-work-in progress in which completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Financial Statements

For the year ended March 31, 2025

8(c) (i) Intangible assets under development

(a) Intangible assets under development ageing schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress	569.85	444.20	26.04	-	1,040.09
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2024					
Projects in progress	823.45	297.08	-	-	1,120.53
Projects temporarily suspended	-	-	-	-	-

(b) No case of intangible assets under development in which completion is overdue or has exceeded its cost compared to its original plan.

9 Right-of-use assets

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Value of Right of Use Asset	11,771.87	8,800.05
Addition	2,733.02	3,234.38
Disposal	(250.37)	(262.56)
Gross Carrying Value	**14,254.52**	**11,771.87**
Depreciation		
Opening Accumulated Depreciation	6,199.89	4,538.14
Depreciation for the year	1,884.70	1,661.75
Closing Accumulated Depreciation	**8,084.59**	**6,199.89**
Net Carrying value	**6,169.93**	**5,571.98**

9(a) The Company has only one class of assets i.e. Office Premises. Depreciation is computed on straight line basis over the period of lease.

10 Other non-financial assets

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid Expenses	1,377.30	1,137.34
Advance to staff	318.21	212.69
Advance to vendors	424.25	296.44
Other Recoverable	66.91	112.41
Total	**2,186.67**	**1,758.88**

Notes to the Financial Statements

For the year ended March 31, 2025

11 Assets held for sale

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Asset obtained by taking possession of collateral (Refer Note 11(a) & Note 1.15.4)	1,091.80	1,294.92
Total Gross	**1,091.80**	**1,294.92**
Less: Impairment loss allowance*	(1,091.80)	(1,103.98)
Total Net	**-**	**190.94**

*The Company has accounted additional provision basis its past experience on realization and time value of money

11(a) Assets obtained by taking possession of collateral

The Company obtained the following assets by taking possession of collateral held as security against loans and advances and held at the year end. The Company's policy is to realise collateral on a timely basis. The Company does not use non-cash collateral for its operations.

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Residential properties	1,091.80	1,294.92
Total assets obtained by taking possession of collateral	**1,091.80**	**1,294.92**

12 Payables

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	97.48	30.65
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	391.01	3,063.29
Total	**488.49**	**3,093.94**

12(a) Trade Payables Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment						
As at March 31, 2025	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	17.40	80.08	-	-		97.48
(ii) Others	180.21	-	205.26	5.47	0.07	-	391.01
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
As at March 31, 2024	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	15.68	14.97	-		-	30.65
(ii) Others	2,589.98	7.86	453.31	2.79	4.49	4.86	3,063.29
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

12(b) There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2025.

13 Debt Securities

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured*		
Debentures (Refer note 13(a))	1,31,651.24	95,215.92
Unsecured		
Debentures (Refer note 13(a))	41,096.25	46,040.03
Total	**1,72,747.49**	**1,41,255.95**
Debt securities in India	1,31,651.24	95,215.92
Debt securities outside India	41,096.25	46,040.03
Total	**1,72,747.49**	**1,41,255.95**

*Exclusive charge on specified loan assets/ receivables and in case of debenture issued vide ISIN INE216P07167 additional first pari passu charge created on Company's Immovable property in favour of security Trustee as stated in the respective Debenture Trust Deed in previous year.

13(a) Detail of Redeemable Non-Convertible Debentures

ISIN No.	Date of allotment	Date of redemption	Rate of Interest	As at March 31, 2025	As at March 31, 2024	Secured/ Unsecured	Terms of redemption
INE216P07167	16-Sep-19	15-Sep-24	8.39%*	-	34,590.84	Secured	Redeemed during the year
XS1923066390	20-Dec-18	20-Dec-25	8.93%**	5,010.13	10,010.69	Unsecured	Redeemable at par
INE216P07209	31-Dec-20	31-Dec-25	8.88%**	1,501.01	3,501.70	Secured	Redeemable at par
INE216P07217	26-Nov-21	26-Nov-26	8.75%	10,195.74	10,196.75	Secured	Redeemable at par
INE216P07225	25-Mar-22	25-Mar-27	8.25%**	4,004.09	6,009.15	Secured	Redeemable at par
INE216P07175	30-Mar-20	30-Mar-28	8.645%*	20,435.34	27,221.63	Secured	Redeemable at par
XS2449330336	10-Mar-22	10-Mar-29	9.25%**	36,086.11	36,029.34	Unsecured	Redeemable at par
INE216P07233	20-Jul-23	20-Jul-28	8.35%**	10,651.20	13,695.85	Secured	Redeemable at par
INE216P07241	29-Oct-24	29-Oct-29	8.09%*	64,524.50	-	Secured	Redeemable at par
INE216P07258	15-Jan-25	15-Jan-30	8.42%	10,169.27	-	Secured	Redeemable at par
INE216P07266	15-Jan-25	15-Jan-30	8.46%	10,170.10	-	Secured	Redeemable at par
Total				**1,72,747.49**	**1,41,255.95**		

*ROI p.a (payable half yearly)
**ROI p.a (payable quarterly)

Notes to the Financial Statements

For the year ended March 31, 2025

Terms of repayment of Debentures outstanding as at March 31, 2025

Particulars		Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due 5 to 10 years		Total	
Original maturity of loan	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly Above 3 years	8%-10%	11	6,611.90	12	7,964.41	2	1,493.33	-	-	**25**	**16,069.64**
Half yearly Above 3 years	8%-10%	6	20,917.98	8	31,532.95	2	8,959.96	-	-	**16**	**61,410.89**
Bullet end Above 3 years	6%-8%	-	2,134.70	-	-	1	62,719.75	-	-	**1**	**64,854.45**
	8%-10%	-	645.53	1	9,855.96	2	19,911.03	-	-	**3**	**30,412.52**
Total		**17**	**30,310.11**	**21**	**49,353.32**	**7**	**93,084.07**	**-**	**-**	**45**	**1,72,747.50**

Terms of repayment of Debentures outstanding as at March 31, 2024

Particulars		Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due 5 to 10 years		Total	
Original maturity of loan	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly Above 3 years	8%-10%	12	7,192.35	19	11,470.73	6	4,488.55	-	-	**37**	**23,151.63**
Half yearly Above 3 years	8%-10%	4	12,051.57	10	36,580.51	6	24,773.71	-	-	**20**	**73,405.79**
Bullet end Above 3 years	8%-10%	1	34,823.73	3	9,874.80	-	-	-	-	**4**	**44,698.53**
Total		**17**	**54,067.65**	**32**	**57,926.04**	**12**	**29,262.26**	**-**	**-**	**61**	**1,41,255.95**

Notes to the Financial Statements

For the year ended March 31, 2025

14 Borrowings (other than debt securities)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Term loans (refer note 14(i))		
From National Housing Bank (NHB) (Refer note 14(a))	2,57,678.50	3,04,157.86
From Banks (Refer note 14(b))	8,81,574.72	7,27,780.22
From Financial institutions (Refer note 14(c))	27,725.70	4,994.68
From Insurance Companies (Refer note 14(d))	3,123.65	4,372.52
Others		
Cash Credit (refer note 14(e))	9,811.61	13,341.85
Others (refer note 14(f))	32,324.77	39,107.70
Total	**12,12,238.95**	**10,93,754.83**
Borrowings in India	12,12,238.95	10,93,754.83
Borrowings outside India	-	-
Total	**12,12,238.95**	**10,93,754.83**

14(a) Secured term loans from National Housing Bank (NHB) carry rate of interest in the range of 2.80% to 8.50% p.a. The loans are having tenure of 7 to 15 years from the date of disbursement and are repayable in quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.

14(b) Secured term loans from Banks include loans from various banks and carry rate of interest in the range of 7.48% to 9.75% p.a. The loans are having tenure of 5 to 15 years from the date of disbursement and are repayable in monthly or quarterly or yearly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company. Secured term loan from banks also include auto loans of ₹ 452.31 lakh (P.Y. ₹ 382.18 lakh) carrying rate of interest in the range of 8.50% to 9.75% p.a. which are secured by hypothecation of Company's vehicles.

14(c) Secured loans from financial institutions include loan from Small Industries Development Bank of India (SIDBI) at carrying rate of interest in the range of 8.27% to 8.50% p.a. which are secured by hypothecation of receivables. The loans are having tenure of 5 to 10 years from the date of disbursement and are repayable in monthly or quarterly or yearly instalments.

14(d) Secured term loan from Insurance Company carry rate of interest of 9.60% p.a. The loan is having tenure of 8 years from the date of disbursement and is repayable in half yearly instalments. The loan is secured by hypothecation (exclusive charge) of the loans given by the Company.

14(e) Cash credit borrowings from bank are repayable on demand and carry interest rates ranging from 9.15% to 10.50%.

14(f) Other borrowings includes associated liabilities to securitized asset which does not fulfill derecognition criteria as per Ind AS.

Notes to the Financial Statements

For the year ended March 31, 2025

14(g) **Changes in liabilities arising from financing activities**

Particulars**	As at March 31, 2024	Cash flows	Other*	As at March 31, 2025
Debt securities (refer note no 13)	1,41,255.95	31,954.42	(462.87)	1,72,747.49
Borrowings	10,93,754.83	1,18,308.96	175.16	12,12,238.95
Subordinate liabilities	-	-	-	-
Total	**12,35,010.78**	**1,50,263.38**	**(287.72)**	**13,84,986.44**

Particulars**	As at March 31, 2023	Cash flows	Other*	As at March 31, 2024
Debt securities (refer note no 13)	1,43,283.91	(1,432.28)	(595.68)	1,41,255.95
Borrowings	8,31,984.54	2,61,812.76	(42.47)	10,93,754.83
Subordinate liabilities	9,992.26	(10,000.00)	7.74	-
Total	**9,85,260.71**	**2,50,380.48**	**(630.41)**	**12,35,010.78**

*Other column includes amortisation of transaction cost.

**For lease liabilities, refer note 15

14(h) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

Notes to the Financial Statements

For the year ended March 31, 2025

14 (i) Terms of repayment of long term borrowings outstanding as at March 31, 2025

(₹ in lakh)

Particulars		Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due 5 to 10 years		Above 10 years		Total	
Original maturity of loan	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthy repayment schedule Above 3 years	8%-10%	710	46,744.66	1,312	92,898.52	514	67,530.55	118	53,550.12	-	-	2,654	2,60,723.85
Quarterly repayment schedule Above 3 years	2%-4%	48	14,824.72	124	37,832.14	33	9,892.49	-	-	-	-	205	62,549.35
	4%-6%	62	12,983.98	126	28,764.09	107	23,552.80	18	3,422.16	-	-	313	68,723.03
	6%-8%	27	3,882.33	66	10,425.59	48	8,658.19	58	11,099.46	-	-	199	34,065.57
	8%-10%	300	1,02,849.86	693	2,46,334.86	546	2,00,275.23	494	1,89,941.49	24	1,516.92	2,057	7,40,918.36
Half yearly repayment schedule Above 3 years	8%-10%	2	1,248.52	3	1,873.90	-	-	-	-	-	-	5	3,122.42
Total		**1,149**	**1,82,534.07**	**2,324**	**4,18,129.10**	**1,248**	**3,09,909.26**	**688**	**2,58,013.23**	**24**	**1,516.92**	**5,433**	**11,70,102.58**

The above table doesn't include associated liabilities to securitized asset which does not fulfill derecognition criteria as per Ind AS amounting to ₹ 32,324.77 lakh (Due within 1 year ₹ 4,940.53 lakh and due more than 1 year ₹ 27,384.24 lakh)

Terms of repayment of long term borrowings outstanding as at March 31, 2024

Particulars		Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due 5 to 10 years		Above 10 years		Total	
Original maturity of loan	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthy repayment schedule Above 3 years	8%-10%	609	42,093.83	1,006	88,311.19	549	67,692.40	195	72,644.10	-	-	2,359	2,70,741.52
	10%-12%	24	4.72	7	1.33	-	-	-	-	-	-	31	6.05
Quarterly repayment schedule Above 3 years	2%-4%	48	14,826.60	128	39,554.03	91	26,985.60	2	959.38	-	-	269	82,325.61
	4%-6%	63	14,292.53	134	31,853.11	104	27,207.50	48	12,646.58	-	-	349	85,999.72
	6%-8%	40	6,940.43	95	16,601.52	73	12,899.29	60	11,910.85	-	-	268	48,352.09
	8%-10%	306	85,876.34	550	1,63,341.45	444	1,36,967.06	450	1,58,214.78	16	5,109.00	1,766	5,49,508.63
Half yearly repayment schedule Above 3 years	8%-10%	2	1,248.68	4	2,498.39	1	624.59	-	-	-	-	7	4,371.66
Total		**1,092**	**1,65,283.13**	**1,924**	**3,42,161.02**	**1,262**	**2,72,376.44**	**755**	**2,56,375.69**	**16**	**5,109.00**	**5,049**	**10,41,305.28**

The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfillment of derecognition criteria as per Ind AS amounting to ₹ 39,107.71 lakh (Due within 1 year ₹ 5,874.04 lakh and due more than 1 year ₹ 33,233.66 lakh)

Notes to the Financial Statements

For the year ended March 31, 2025

15 Lease liabilities

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities	6,861.13	6,181.14
Total	**6,861.13**	**6,181.14**

Disclosures as required by Ind AS 116 'Leases' are stated below

Movement of Lease Liability

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	6,181.14	4,658.79
Add: Addition during the year	2,461.95	3,054.41
Interest on Lease Liability	524.34	545.27
Less: Repayment of lease liabilities (Including Interest)	(2,306.30)	(2,077.33)
Closing Balance	**6,861.13**	**6,181.14**

The following is the breakup of current and non-current portion of lease liability as on March 31, 2025

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current	1,715.28	1,573.09
Non-Current	5,145.85	4,608.05
Total lease liability	**6,861.13**	**6,181.14**

16 Other financial liabilities

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Due to assignees towards collections in derecognised assets	14,053.63	8,482.25
Employee benefits payable	4,957.87	4,616.72
Others	1,476.36	5,682.65
Total	**20,487.86**	**18,781.62**

17 Provisions

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Leave availment	447.58	389.78
Gratuity	365.04	308.66
ECL on undisbursed loan commitment	100.94	141.86
Total	**913.56**	**840.30**

Notes to the Financial Statements

For the year ended March 31, 2025

18 Tax Expenses

The major components of income tax expense for the year ended March 31, 2025

Profit or loss section

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current income tax:		
Current income tax charge	14,315.72	12,368.54
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,532.37	1,007.02
Income tax expense reported in the statement of profit or loss	**15,848.09**	**13,375.56**

OCI

Deferred tax related to items recognised in OCI during the year:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net loss/(gain) on re-measurements of defined benefit plans	7.96	5.10
Income tax charged to OCI	**7.96**	**5.10**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax from continuing operations	73,258.91	62,444.98
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**73,258.91**	**62,444.98**
Tax at statutory Income Tax rate of 25.17% (P.Y. 25.17%)	18,437.80	15,716.15
Expenses Disallowed in Income tax Act	387.33	344.47
Other permanent difference	(369.52)	(451.76)
Expenses Disallowed u/s 43B of Income tax Act	14.55	16.43
Provision for special reserve u/s 29C of NHB Act read with section 36 (1) (viii) of IT Act, 1961	(2,619.40)	(2,240.85)
Incremental deferred tax liabilities /(assets) on account of Financial assets and other items	(2.67)	(8.89)
Tax at effective Income Tax rate (a)	15,848.09	13,375.56
Tax on Other comprehensive income (b)	7.96	5.10
Total Tax expenses (a+b)	**15,856.05**	**13,380.66**

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Deferred Tax liabilities / (assets)	As at March 31, 2025	As at March 31, 2024
Deferred tax liability		
Unamortized Borrowings cost	417.24	285.84
Upfront EIS income	9,863.09	8,390.27
Gross deferred tax liability	**10,280.33**	**8,676.11**
Deferred tax asset		
Expected credit loss (ECL)	(1,583.03)	(1,506.77)
Unamortized Processing fee	(580.61)	(487.78)
Fair Valuation of SARFAESI	(39.72)	(46.92)
Provision for gratuity and Leave availment	(70.72)	(76.58)
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	(242.55)	(298.51)
Loss on voluntary liquidation of erstwhile subsidiary company (Refer note no. B)	-	(81.46)
Other adjustments	(206.55)	(153.31)
Gross deferred tax asset	**(2,723.18)**	**(2,651.33)**
Net Deferred Tax Liability	**7,557.15**	**6,024.78**

Deferred Tax charged to	Year ended March 31, 2025		Year ended March 31, 2024	
statement of profit and loss account	Profit and Loss	OCI	Profit and Loss	OCI
Unamortized Borrowings cost	131.40	-	(50.74)	-
Upfront EIS income	1,472.82	-	1,306.70	-
Expected credit loss (ECL)	(76.26)	-	(239.91)	-
Unamortized Processing fee	(92.83)	-	60.67	-
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	55.96	-	48.81	-
Loss on voluntary liquidation of erstwhile subsidiary company	81.46	-	(81.46)	-
Other adjustments	(40.18)	7.96	(37.05)	5.10
Deferred Tax charged to statement of profit and loss account	**1,532.37**	**7.96**	**1,007.02**	**5.10**

The proportionate amount of business income from housing loan segment for Special Reserve u/s 29C of the NHB Act read with section 36 (1) (viii) of Income Tax Act, 1961 has been computed by giving weightage of housing loan for more than 60 months to total loan assets of the Company. The total housing loan for more than 60 months for the year under consideration is ₹ 12,03,453.84 lakh (PY ₹ 10,15,984.73 lakh).

Notes to the Financial Statements

For the year ended March 31, 2025

19 Other Non-financial Liabilities

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Dues Payable	773.57	854.81
Provision for Expenses	3,192.48	2,535.60
GST payable	372.20	450.00
Others	131.29	840.87
Total	**4,469.54**	**4,681.28**

20 Equity share capital

Details of authorized, issued, subscribed and paid up share capital

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized share Capital		
8,50,00,000 (P.Y. 8,50,00,000) Equity Shares of ₹ 10/- each	8,500.00	8,500.00
	8,500.00	**8,500.00**
Issued, Subscribed & Paid up capital		
Issued and Subscribed Capital		
7,91,53,665 (P.Y. 7,91,39,705) Equity Shares of ₹ 10/- each	7,915.37	7,913.97
Called-Up and Paid Up Capital		
Fully Paid-Up		
7,91,53,665 (P.Y. 7,91,39,705) Equity Shares of ₹ 10/- each	7,915.37	7,913.97
Total	**7,915.37**	**7,913.97**

20 (a) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ In lakh	No. of shares	₹ In lakh
Equity Share at the beginning of year	7,91,39,705	7,913.97	7,90,56,874	7,905.69
Add:				
Equity Share Allotted during year				
Shares issued under ESOP	13,960	1.40	82,831	8.28
Equity share at the end of year	**7,91,53,665**	**7,915.37**	**7,91,39,705**	**7,913.97**

Notes to the Financial Statements

For the year ended March 31, 2025

20(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
Aquilo House Pte.Ltd.	1,78,08,116	22.50%	-	0.00%
1,78,08,116 Equity Shares of ₹ 10/- each fully paid				
Lake District Holdings Limited	1,23,46,641	15.60%	1,23,46,641	15.60%
1,23,46,641 Equity Shares of ₹ 10/- each fully paid				
Partners Group ESCL Limited	59,78,718	7.55%	59,78,718	7.55%
59,78,718 Equity Shares of ₹ 10/- each fully paid				
SBI Mutual Fund through various funds	43,616	0.06%	70,12,611	8.86%
43,616 Equity Shares of ₹ 10/- each fully paid				
Total	**3,61,77,091**	**45.71%**	**2,53,37,970**	**32.01%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

20 (c) Rights, preferences and restrictions attached to shares

Equity shares:

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding."

20 (d) Aggregate number of bonus shares issued during the year of five years immediately preceding the reporting date

Particular	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-

20 (e) For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 33

20 (f) Shareholding of Promoters

Shares held by promoters at the end of March 31, 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Lake District Holdings Limited	1,23,46,641	15.60%	0.00%
Partners Group ESCL Limited	59,78,718	7.55%	0.00%
Partners Group Private Equity Master Fund LLC	26,23,753	3.32%	0.00%
Total	**2,09,49,112**	**26.47%**	

Notes to the Financial Statements

For the year ended March 31, 2025

Shares held by promoters at the end of March 31, 2024

Promoter name	No. of Shares	% of total shares	% Change during the year
Lake District Holdings Limited	1,23,46,641	15.60%	-32.11%
Partners Group ESCL Limited	59,78,718	7.55%	-32.58%
Partners Group Private Equity Master Fund LLC	26,23,753	3.32%	-32.58%
Total	**2,09,49,112**	**26.47%**	

21 Other equity

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium (refer note 21(a))	1,36,494.02	1,36,306.94
Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of income tax Act. 1961(refer note 21(a))	56,150.93	44,664.04
Share Based Payments Reserve (refer note 21(a))	6,271.21	5,154.15
Retained earnings	2,29,251.69	1,83,292.42
Share Application money received	0.01	0.00
Total	**4,28,167.86**	**3,69,417.55**

21 (a) Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Special reserve

Section 29C (i) of the National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2025, the Company has transferred an amount of ₹ 10,407.66 lakh (P.Y. ₹ 8,903.57 lakh) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987 and also transferred an amount of ₹ 1,079.24 lakh (P.Y. ₹ 913.34 lakh) to the Reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987.

Share Based Payments Reserve

This Reserve relates to stock options granted by the Company to employees under various ESOP Schemes. This Reserve is transferred to Securities Premium Account on exercise of vested options.

Notes to the Financial Statements

For the year ended March 31, 2025

22 Interest income

₹ In Lakhs

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit and loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit and loss
Interest on Loans (Refer note 22(a))	-	1,87,998.47	-	-	1,59,326.67	-
Interest on deposits with Banks	-	12,438.21	-	-	13,195.68	-
Interest on Government securities	-	1,289.33	-	-	930.94	-
Interest on Treasury Bill	-	41.66	-	-	11.75	-
Total	**-**	**2,01,767.67**	**-**	**-**	**1,73,465.04**	**-**

(a) Loan origination income included in interest income on loan is disclosed net of the direct incremental costs of ₹ 8,436.96 lakh for year ended March 31, 2025 (P.Y. ₹ 8,034.25 lakh) associated with the origination of the underlying loans.

23 Fees and commission Income

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Insurance commission	3,770.22	2,689.64
Other fee income	6,983.52	5,982.04
Total	**10,753.74**	**8,671.68**

24 Net gain on fair value changes

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Net gain on financial instruments at fair value through profit and loss		
i) **On trading portfolio**		
Investments in mutual fund	2,315.04	1,658.19
b) Others		
Derivatives	(129.49)	-
Total Net gain on fair value changes	**2,185.55**	**1,658.19**
Fair value changes		
Realised	2,315.04	1,658.19
Unrealised- MTM gain	(129.49)	-
Total Net gain on fair value changes	**2,185.55**	**1,658.19**

Notes to the Financial Statements

For the year ended March 31, 2025

25 Other income

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net gain on derecognition of property, plant and equipment	47.71	30.80
Other income	343.27	249.02
Total	**390.98**	**279.82**

26 Finance Costs

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost
Interest on borrowings	-	85,235.83	-	67,518.30
Interest on debt securities	-	12,911.06	-	12,406.10
Interest on Subordinated liabilities	-	-	-	678.59
Interest on Securitised pool	-	2,075.61	-	1,687.81
Interest on lease liability	-	524.34	-	545.27
Total	**-**	**1,00,746.84**	**-**	**82,836.07**

27 Fees and commission expense

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Resource mobilisation expenses	609.48	555.00
Bank charges and commission	194.59	180.41
Brokerage and Commission	28.38	19.90
Total	**832.45**	**755.31**

Notes to the Financial Statements

For the year ended March 31, 2025

28 Impairment on financial instruments

₹ In Lakhs

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost
Investment in erstwhile subsidiary Company (refer Note B)	-	(5.18)	-	59.50
Loan Assets	-	2,235.28	-	1,318.66
Provision on Assets held for sale	-	(12.18)	-	563.19
Write offs	-	453.03	-	463.91
Assets acquired under SARFAESI	-	41.48	-	42.11
Total	**-**	**2,712.43**	**-**	**2,447.37**

29 Employee Benefits Expenses

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	34,451.33	32,566.13
Contribution to provident and other funds	1,533.83	1,449.39
Share Based Payments to employees	1,274.96	860.46
Staff welfare expenses	515.61	715.05
Total	**37,775.73**	**35,591.03**

Defined Contribution plan

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions. The Company's contribution to provident fund aggregating ₹ 1,360.22 lakh (P.Y. ₹ 1,278.66 lakh) has been recognised in the statement of profit and loss under the head employee benefits expense.

Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by the Payment of Gratuity Act, 1972 as amended from time to time.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Notes to the Financial Statements

For the year ended March 31, 2025

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	474.12	414.21
Interest cost	22.53	15.19
Expected Return on plan assets	-	-
Net remeasurement (gain) / loss recognized in the year	-	-
Net expense	**496.65**	**429.40**

Remeasurement (gains)/ loss recognised in other comprehensive income:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial loss/(gain) due to change in financial assumptions	89.09	30.68
Actuarial loss/(gain) due to change in demographic assumption	-	-
Actuarial loss/ (gain) due to experience adjustments	(97.56)	(44.80)
Return on plan assets excluding amounts included in interest income	(23.14)	(6.14)
Remeasurement (gain) / loss arising during the year	**(31.61)**	**(20.26)**

Actual Return on plan asset

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Expected return on plan asset	-	-
Interest Income on Plan Asset	57.95	53.55
Actuarial gain/(loss)	23.14	6.14
Actual Return on plan asset	**81.09**	**59.69**

Balance Sheet

Net defined benefit liability

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Present value of defined benefit obligation	1,437.80	1,114.04
Fair value of plan assets	(1,072.76)	(805.37)
Plan liability	**365.04**	**308.67**

Notes to the Financial Statements

For the year ended March 31, 2025

Changes in the present value of the defined benefit obligation are as follows:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening defined benefit obligation	1,114.03	928.09
Current service cost	474.12	414.21
Interest cost	80.48	68.74
Benefits paid during the year	(222.36)	(282.88)
Remeasurement (gain)/loss on obligation	(8.48)	(14.12)
Closing defined benefit obligation	**1,437.79**	**1,114.04**

Changes in the present value of the plan assets are as follows:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Fair value of plan asset at the beginning	805.37	725.56
Interest Income on Plan Asset	57.95	53.55
Expected return on plan asset	-	-
Contribution made	408.67	303.00
Benefit paid during the year	(222.36)	(282.88)
Actuarial Gain/(Loss) on plan assets	23.14	6.14
Fair value of plan asset at the the end of the year	**1,072.77**	**805.37**

The principle assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.85%	7.30%
Salary escalation rate	6.00%	6.00%
Employee Turnover	age 30 = 5%	age 30 = 5%
	age 31-40 = 3%	age 31-40 = 3%
	age 41-50 = 2%	age 41-50 = 2%
	age 51 & above=1%	age 51 & above=1%
Mortality Rates	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience adjustment for the reported years are as below:

Particulars	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligation	1,437.79	1,114.04	928.09	758.09	659.25
Plan assets	(1,072.77)	(805.37)	(725.56)	(690.02)	(604.95)
(Surplus)/Deficit	365.03	308.67	202.53	68.07	54.30
Experience adjustments on plan liabilities(Gain)/ Loss	(97.56)	(44.80)	(80.80)	(70.12)	(91.54)
Experience adjustments on plan assets	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Effect of 1% change in assumed discount rate		
- 1% increase	1,250.25	972.08
- 1% decrease	1,668.09	1,287.56
b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	1,644.57	1,274.32
- 1% decrease	1,261.27	977.87

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Funding Arrangement and Policy

The contribution by the Corporation to fund the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Maturity Analysis of the Benefit Payments: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting	Year ended March 31, 2025	Year ended March 31, 2024
1st Following Year	36.57	32.63
2nd Following Year	41.58	39.69
3rd Following Year	66.90	38.73
4th Following Year	73.49	62.49
5th Following Year	61.22	67.14
Sum of Years 6 to 10	434.38	330.43

Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the Company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation.

Notes to the Financial Statements

For the year ended March 31, 2025

30 Other expenses

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Advertisement and brand promotion	305.15	864.60
AMC charges	250.20	143.25
Auditor's remuneration (note 30(a))	149.58	102.92
Collection and legal recovery expenses	1,132.12	989.15
Communication costs	615.38	683.61
CSR expenses (refer note 40)	1,085.93	904.79
Directors' fees and commission	163.50	130.80
Electricity and water	537.14	468.79
General office expenses	806.87	628.79
IT and analytics Expenses	2,849.63	2,072.19
Consultancy and professional charges	865.31	1,081.65
Manpower management cost	5,178.56	3,757.92
Postage and courier expenses	289.76	312.57
Printing and stationery	203.17	182.32
Rent, rates and taxes Expenses	243.57	288.44
Repairs and maintenance	174.46	271.88
Travelling and conveyance	2,019.66	1,805.23
Total	**16,869.99**	**14,688.90**

30 (a) Auditor's remuneration

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Audit fees	141.68	81.12
Tax audit fees	5.45	5.45
Other services	2.45	16.35
	149.58	**102.92**

31 Earning per share

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in lakh)	791.43	791.10
Net profit for calculation of basic EPS (₹ in lakh)	57,410.82	49,069.42
Basic earning per share (In ₹)	**72.54**	**62.03**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in lakh)*	797.72	792.27
Net profit for calculation of Diluted EPS (₹ in lakh)	57,410.82	49,069.42
Diluted earning per share (In ₹)	**71.97**	**61.93**
Nominal value of equity shares (In ₹)	**10.00**	**10.00**

*Effect of potential issue of shares / stock rights outstanding is 6.30 lakh as on March 31, 2025 (P.Y. 1.17 lakh)

Notes to the Financial Statements

For the year ended March 31, 2025

32 Maturity analysis of assets and liabilities

The following tables set forth, for the periods indicated, the assets and liabilities line items expected to be recovered or settled within and after twelve months after factoring prepayment assumptions.

₹ In Lakhs

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,131.30	-	1,131.30	2,055.80	-	2,055.80
Bank balance other than cash and cash equivalents	1,54,200.06	631.82	1,54,831.88	1,76,842.28	884.08	1,77,726.36
Derivative financial instruments	104.87	-	104.87	-		-
Receivables	1,136.54	-	1,136.54	1,221.93	-	1,221.93
Loans	2,58,923.66	13,64,047.27	16,22,970.93	2,19,354.23	11,81,082.45	14,00,436.68
Investments	8,543.11	14,458.73	23,001.84	5,434.93	12,780.70	18,215.63
Other financial assets	20,348.62	21,650.23	41,998.85	18,297.60	18,145.12	36,442.72
Non-financial assets						
Current tax assets (net)	73.25	-	73.25	1,176.31	-	1,176.31
Property, plant and equipment	-	3,039.88	3,039.88	-	2,966.40	2,966.40
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	1,040.09	1,040.09	-	1,120.53	1,120.53
Intangible assets	-	4,161.37	4,161.37	-	3,061.20	3,061.20
Right-of-use assets	-	6,169.93	6,169.93	-	5,571.98	5,571.98
Other non-financial assets	2,119.93	66.74	2,186.67	1,727.35	31.53	1,758.88
Assets held for sale	-	-	-	190.94	-	190.94
Total Assets	**4,46,581.34**	**14,15,266.06**	**18,61,847.40**	**4,26,301.37**	**12,25,643.99**	**16,51,945.36**
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	97.48	-	97.48	30.65	-	30.65
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	391.01	-	391.01	3,063.29	-	3,063.29
Debt securities	30,310.11	1,42,437.39	1,72,747.49	54,067.66	87,188.29	1,41,255.95
Borrowings (other than debt securities)	1,97,286.20	10,14,952.75	12,12,238.95	1,84,499.02	9,09,255.81	10,93,754.83
Lease liabilities	1,715.28	5,145.85	6,861.13	1,573.09	4,608.05	6,181.14
Other financial liabilities	20,290.25	197.61	20,487.86	18,638.80	142.82	18,781.62
Non-financial liabilities						
Provisions	421.45	492.10	913.56	358.90	481.40	840.30
Deferred tax liabilities (net)	-	7,557.15	7,557.15	-	6,024.78	6,024.78
Other non-financial liabilities	4,469.54	-	4,469.54	4,681.28	-	4,681.28
Total Liabilities	**2,54,981.32**	**11,70,782.85**	**14,25,764.17**	**2,66,912.69**	**10,07,701.15**	**12,74,613.84**
Net Assets	**1,91,600.02**	**2,44,483.21**	**4,36,083.23**	**1,59,388.68**	**2,17,942.84**	**3,77,331.52**

Notes to the Financial Statements

For the year ended March 31, 2025

33 Stock options

I The Company has formulated various share-based payment schemes for its employees , management and directors. Details of all grants in operation during the Year ended March 31, 2025 are as given below:

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 III	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)
Scheme Name	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Directors 2016 (ESOP 2016 III)	Equity stock option plan for Employees 2019 (ESOP 2019)	Equity stock option plan for Employees 2020 (ESOP 2020)	Equity stock option plan for Employees 2021 (ESOP 2021)	Equity stock option plan for Employees 2021 (ESOP 2022)	Equity stock option plan for Employees 2016 (ESOP 2016)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)
No. of options approved*	12,87,901		7,19,084	3,00,000	3,00,000	3,00,000	8,50,000	1,25,000	4,500	89,500
Date of grant	23-Feb-17	24-Jan-18	23-Feb-17	03-Oct-19	13-Jul-21	18-Aug-21	22-Aug-22	30-Mar-23	01-Feb-24	15-Oct-24
No. of options granted	9,80,118	4,24,687	7,19,084	3,00,000	3,00,000	3,00,000	8,50,000	1,25,000	4,500	89,500
Exercise price per option (in ₹)	215.25	328	215.25	1580.2	2887.05	2477.15	2241.25	1606.4	1476.55	1776.35
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions	A) 50% options to vest as per stipulated vesting schedule ("Fixed Vesting")									
	B) 50% options to vest as per stipulated vesting schedule on fulfillment of stipulated conditions ("Conditional Vesting")									
A) Fixed Vesting year is as follows on following dates :-										
1st vesting "12 months from the date of grant"	98,012	42,469	71,908	30,000	30,000	30,000	85,000	12,500	450	17,900
2nd vesting "On expiry of four months from the 1st vesting date"	98,012	NA	71,908	NA	NA	NA	NA	NA	NA	NA
2nd vesting "On expiry of one year from the 1st vesting date"	NA	42,469	NA	30,000	30,000	30,000	85,000	12,500	450	17,900

Notes to the Financial Statements

For the year ended March 31, 2025

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 III	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)
3rd vesting "On expiry of one year from the 2nd vesting date"	98,012	42,469	Refer note A	30,000	30,000	30,000	85,000	12,500	450	17,900
4th vesting "On expiry of one year from the 3rd vesting date"	98,012	42,469	-	30,000	30,000	30,000	85,000	12,500	450	17,900
5th vesting "On expiry of one year from the 4th vesting date"	98,011	42,469	-	30,000	30,000	30,000	85,000	12,500	450	17,900
B) Conditional Vesting	Linked with conditions over the next five years as stipulated in respective stock option plan		Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan	Linked with conditions over the next five years as stipulated in respective stock option plan
Exercise year	Four years from the date of each vesting									

Notes to the Financial Statements

For the year ended March 31, 2025

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2024
Scheme Name	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2024)
No. of options approved*	71,044	1,22,139	5,256	23,904	4,00,000
Date of grant	12-Dec-23	15-Oct-24	18-Oct-24	12-Dec-24	30-Jan-25
No. of options granted	71,044	1,22,139	5,256	23,904	4,00,000
Exercise price per option (in ₹)	10.00	10.00	10.00	10.00	10.00
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions	Vesting is based on company performance condition over the future years				
A) Fixed Vesting year is as follows on following dates :-					
1st vesting "12 months from the date of grant	17,761	30,535	1,314	5,976	1,00,000
2nd vesting "On expiry of one year from the 1st vesting date"	17,761	30,535	1,314	5,976	1,00,000
3rd vesting "On expiry of one year from the 2nd vesting date"	17,761	30,535	1,314	5,976	1,00,000
4th vesting "On expiry of one year from the 3rd vesting date"	17,761	30,535	1,314	5,976	1,00,000
B) Conditional Vesting	linked with company's Profitability-Profit After Tax and Asset Quality-Gross Non-Performing Assets and such other parameter as the NRC may decide.				
Exercise year	Four years from the date of each vesting				

*After adjusting subsequent cancellations, if any

Note:

A. During year ended March 31, 2025, pursuant to the Board/Nomination and Remuneration Committee approval dated October 15, 2024 options granted to employees under PSOP 2023.

B. During year ended March 31, 2025, pursuant to the Board/Nomination and Remuneration Committee approval dated October 15, 2024 options granted to employees under ESOP 2016.

C. During year ended March 31, 2025, pursuant to the Board/Nomination and Remuneration Committee approval dated October 18, 2024 options granted to employees under PSOP 2023.

D. During year ended March 31, 2025, pursuant to the Board/Nomination and Remuneration Committee approval dated December 12, 2024 options granted to employees under PSOP 2023.

E. During year ended March 31, 2025, pursuant to the Board/Nomination and Remuneration Committee approval dated January 30, 2025 options granted to employees under PSOP 2024.

Notes to the Financial Statements

For the year ended March 31, 2025

II Computation of fair value of options granted during the year ended March 31, 2025

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP 2016 I (e)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2024
Share price on the date of grant	1776.35	1776.35	1731.15	1678.05	1689.70
Exercise price	1776.35	10.00	10.00	10.00	10.00
Expected volatility (%)	29.33%-35.44%	29.33%-33.20%	29.35%-33.18%	28.56%-32.90%	27.85%-32.06%
Life of the options granted (years)					
First Vesting	1 years	1 years	1 years	1 years	1 years
Second Vesting	2 years	2 years	2 years	2 years	2 years
Third Vesting	3 years	3 years	3 years	3 years	3 years
Forth Vesting	4 years	4 years	4 years	4 years	4 years
Fifth Vesting	5 years				
Risk-free interest rate (%)	Vesting 1 - 6.76%	Vesting 1 - 6.63%	Vesting 1 - 6.64%	Vesting 1 - 6.66%	Vesting 1 - 6.71%
	Vesting 2 - 6.76%	Vesting 2 - 6.76%	Vesting 2 - 6.77%	Vesting 2 - 6.78%	Vesting 2 - 6.70%
	Vesting 3 - 6.80%	Vesting 3 - 6.76%	Vesting 3 - 6.79%	Vesting 3 - 6.80%	Vesting 3 - 6.74%
	Vesting 4 - 6.82%	Vesting 4 - 6.80%	Vesting 4 - 6.84%	Vesting 4 - 6.78%	Vesting 4 - 6.73%
	Vesting 5 - 6.84%				
Expected dividend rate (%)	0%	0%	0%	0%	0%
Fair value of the option	Tranche 1 - 399.88	Tranche 1 - 1766.99	Tranche 1 - 1721.81	Tranche 1 - 1668.69	Tranche 1 - 1680.35
	Tranche 2 - 544.37	Tranche 2 - 1767.61	Tranche 2 - 1722.44	Tranche 2 - 1669.32	Tranche 2 - 1680.95
	Tranche 3 - 650.76	Tranche 3 - 1768.19	Tranche 3 - 1723.05	Tranche 3 - 1669.90	Tranche 3 - 1681.53
	Tranche 4 - 764.82	Tranche 4 - 1768.73	Tranche 4 - 1723.65	Tranche 4 - 1670.43	Tranche 4 - 1682.06
	Tranche 5 - 842.79				

Notes to the Financial Statements

For the year ended March 31, 2025

III Reconciliation of options

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 III	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)
Year ended March 31, 2025										
Options outstanding at April 1, 2024	5,380	18,805	-	1,49,527	1,67,009	2,01,194	5,67,060	1,25,000	4,500	-
Granted during the year	-	-	-	-	-	-	-	-	-	89,500
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Exercised during the year	-	3,250	-	1,200	-	-	-	-	-	-
Expired / lapsed during the year	1,587	-	-	55,967	38,452	40,750	1,13,284	-	-	-
Outstanding at March 31, 2025	3,793	15,555	-	92,360	1,28,557	1,60,444	4,53,776	1,25,000	4,500	89,500
Exercisable at March 31, 2025	3,793	15,555	-	92,360	76,477	96,544	1,79,996	50,000	900	-
Weighted average remaining contractual life (in years)	0.001	0.08	-	1.49	3.26	3.34	4.37	4.96	5.82	6.55
Weighted average share price at the time of exercise*	-	1,807	-	1,859	-	-	-	-	-	-

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 III	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)
Year ended March 31, 2024										
Options outstanding at April 1, 2023	22,685	67,962	20,000	1,79,695.00	2,41,194.00	2,55,687.00	6,13,700.00	1,25,000.00	-	-
Granted during the year	-	-	-	-	-	-	-	-	4,500.00	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Exercised during the year	15,302	47,529	20,000	-	-	-	-	-	-	-
Expired / lapsed during the year	2,003	1,628	-	30,168.00	74,185.00	54,493.00	46,640.00	-	-	-
Outstanding at March 31, 2024	5,380	18,805	-	1,49,527	1,67,009	2,01,194	5,67,060	1,25,000	4,500	-
Exercisable at March 31, 2024	5,380	18,805		1,13,177	65,429	78,794	1,11,460	25,000	-	-
Weighted average remaining contractual life (in years)	0.01	0.08	-	2.41	4.52	4.62	5.63	6.22	7.09	-
Weighted average share price at the time of exercise*	1,457.80	1,569.66	1,475.58	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2024
Year ended March 31, 2025					
Options outstanding at April 1, 2024	71,044	-	-	-	-
Granted during the year	-	1,22,139	5,256	23,904	4,00,000
Forfeited during the year	-	-	-	-	-
Exercised during the year	9,510	-	-	-	-
Expired / lapsed during the year	17,436	4,344	-	-	-
Outstanding at March 31, 2025	44,098	1,17,795	5,256	23,904	4,00,000
Exercisable at March 31, 2025	3,724	-	-	-	-
Weighted average remaining contractual life (in years)	4.42	6.05	6.05	6.20	6.34
Weighted average share price at the time of exercise*	1,705.91	-	-	-	-

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2024
Year ended March 31, 2024					
Options outstanding at April 1, 2023	-	-	-	-	-
Granted during the year	71,044	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	-	-	-	-	-
Expired / lapsed during the year	-	-	-	-	-
Outstanding at March 31, 2024	71,044	-	-	-	-
Exercisable at March 31, 2024	-	-	-	-	-
Weighted average remaining contractual life (in years)	6.45	-	-	-	-
Weighted average share price at the time of exercise*	-	-	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in current financial year.

34 Segment information

The Company has only one reportable business segment, i.e. lending to borrowers within India, which have similar nature of products and services, type/class of customers and the nature of the regulatory environment (which is banking), risks and returns for the purpose of Ind AS 108 on 'Segment Reporting'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2025 and March 31, 2024.

35 The Company has been granted Certificate of Registration (No. 08.0095.11) to commence/carry on the business as a housing finance company without accepting public deposits by National Housing Bank on August 04, 2011 and got a revised Certificate of Registration (02.0104.13) after conversion of Company from a private limited company to a public limited company on February 08, 2013. Further, the name of Company was changed to AAVAS FINANCIERS LIMITED, pursuant to a Shareholders resolution passed at the EOGM held on February 23, 2017. A fresh certificate of incorporation consequent to such change of name was issued on March 29, 2017 by the Registrar of companies, Jaipur and subsequently the revised certificate of Registration (No.04.0151.17) was issued on April 19, 2017 by National Housing Bank.

Notes to the Financial Statements

For the year ended March 31, 2025

36 Related party

36(a) Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures"

1. Entities where control exists:

Shareholders having Substantial interest

Lake District Holdings Limited

Wholly owned erstwhile subsidiary Company

Aavas Finserv Limited (Upto November 02, 2023) (Refer note no. B)

Entity in which director of the Company is a director

Perfios Software Solution Private Limited

Entity having significant influence

Partners Group ESCL Limited

Partners Group Private Equity (Master Fund), LLC

2. Directors and Key Management Personnel

Mr. Sandeep Tandon	Chairperson and Independent Director
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Managing Director and Chief Executive Officer
Mrs. Kalpana Kaushik Mazumdar	Independent Director
Mrs. Soumya Rajan	Independent Director
Mr. Ramachandra Kasargod Kamath	Non-Executive Nominee Director
Mr. Vivek Vig	Non-Executive Nominee Director
Mr. Nishant Sharma	Non-executive Promoter Nominee Director
Mr. Manas Tandon	Non-executive Promoter Nominee Director
Mr. Rahul Mehta	Non-executive Promoter Nominee Director (w.e.f. May 21, 2024)
Mr. Kartikeya Dhruv Kaji	Non-executive Promoter Nominee Director (Upto May 21, 2024)
Mr. Ghanshyam Rawat	President and Chief Financial Officer
Mr. Ashutosh Atre	President and Chief Risk Officer
Mr. Sharad Pathak*	Chief Compliance Officer
Mr. Saurabh Sharma*	Company Secretary and Compliance Officer

*Mr. Sharad Pathak resigned from the post of Company Secretary and Compliance Officer, w.e.f. closing hours of January 30, 2025 and continues to hold the office as Chief Compliance Officer, while Mr. Saurabh Sharma appointed as the Company Secretary and Compliance Officer w.e.f. January 31, 2025.

3. Post Employment Benefit Plan

Aavas Gratuity Trust

4. Enterprises under significant influence of the Key Management Personnel

Aavas foundation

5. Close members of Key Managerial Personnel

None

Notes to the Financial Statements

For the year ended March 31, 2025

36(b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

Name of related party	Nature of transactions	March 31, 2025			March 31, 2024		
		Amount received	Amount paid	Receivable/ (Payable)	Amount received	Amount paid	Receivable/ (Payable)
Aavas Finserv Limited	Reimbursement of expenses	-	-	-	2.31	2.31	-
	Reimbursement of Statutory payments	-	-	-	0.11	0.07	-
	Proceeds from voluntary liquidation (Refer note no. B)	-	-	-	1,172.02	-	5.00
Mr. Sandeep Tandon	Commission	-	32.70	-	-	26.16	-
Mr. Sachinderpalsingh Jitendrasingh Bhinder	Remuneration	-	332.24	-	-	271.31	-
	Share based Payment	-	344.90	-	-	211.57	-
Mr. Ghanshyam Rawat	Remuneration	-	289.53	-	-	270.59	-
	Share based Payment	-	152.85	-	-	146.84	-
Mr. Ashutosh Atre	Remuneration	-	222.70	-	-	215.55	-
	Share based Payment	-	145.26	-	-	144.83	-
Mrs. Kalpana Iyer	Commission	-	32.70	-	-	26.16	-
Mrs. Soumya Rajan	Commission	-	32.70	-	-	26.16	-
Mr. Ramachandra Kasargod Kamath	Issue of Equity shares	-	-	-	43.05	-	-
	Commission	-	32.70	-	-	26.16	-
Mr. Vivek Vig	Commission	-	32.70	-	-	26.16	-
Mr. Saurabh Sharma	Remuneration	-	1.50	-	-	-	-
	Share based Payment	-	3.15	-	-	-	-
Mr. Sharad Pathak	Issue of Equity shares	3.28	-	-	-	-	-
	Remuneration	-	79.36	-	-	44.44	-
	Loan given (Refer Note 5)	-	-	26.86	-	-	28.43
	Loan repaid	1.57	-	-	1.78	-	-
	Interest on Loan	1.29	-	-	1.65	-	-
	Share based Payment	-	10.00	-	-	9.53	-
Mr. Sushil Kumar Agarwal #	Remuneration	-	-	-	-	292.53	-
Aavas Foundation	Contribute as a Settler (CSR)	-	521.06	-	-	429.10	-
Aavas Gratuity Trust	Gratuity Contribution	-	408.67	-	-	303.00	-
Perfios Software Solution Private Limited	Purchase of Goods/Services	-	52.72	(5.33)	-	5.64	(4.13)

Mr. Sushil Kumar Agarwal resigned from the post of managing director, w.e.f. closing hours of May 03, 2023.

Note :

1. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
2. Consolidated Remuneration is paid to Non-Executive Directors as profit linked commission instead of paying Sitting fees and Commission separately.
3. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
4. Issue of equity shares includes Share premium amount.
5. The Company granted loan to Mr. Sharad Pathak under employee home loan policy of the Company amounting to ₹ 30.50 lakhs at the rate of 5.6% for a period of 12 years, approved by the Audit Committee of the Company. It is a fully secured loan. The company has provided Expected Credit Loss (ECL) of ₹ 0.02 lakh as at March 31, 2025 on the same loan.

Notes to the Financial Statements

For the year ended March 31, 2025

37 The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2025.

38 Commitments and contingencies

38(a) Capital and other commitments:

₹ In Lakhs

Particulars	As at March 31, 2025		
	Estimated Project cost	Paid during the year	Balance Payable
Property, plant and equipment	448.75	81.37	367.38
Other intangible assets	1,827.47	1,040.09	787.38

₹ In Lakhs

Particulars	As at March 31, 2024		
	Estimated Project cost	Paid during the year	Balance Payable
Property, plant and equipment	227.36	49.93	177.43
Other intangible assets	2,474.29	1,089.12	1,385.17

Refer note 5(iii) for undisbursed commitment relating to loans.

38(b) Contingent Liabilities not provided for in respect of

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Disputed claims against the Company not acknowledged as debts - Taxation*	17.44	-
Claims against the Company not acknowledged as debts - others	-	-

*The Company is party to various indirect taxation matters pertaining to input tax credit in respect of which appeals are pending. The Company expects the outcome of appeals to be favourable. The Company's assessment is supported by the facts of the matter, own judgement, experience & advices from legal & independent tax consultants wherever considered necessary.

39 Expenditure in Foreign currency

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest paid*	3,991.85	3,563.24
Other Expenses**	643.23	809.38

*Interest expenses does not includes provision for interest on Rupee Denominated Bond (RDB) issued outside india on March 10, 2022 payable to CDC Group amounting to ₹ 215.39 lakh (PY ₹ 220.95 lakh).

**Other expenses does not includes provision for consultancy and professional charges payable to Intralinks Inc. amounting to ₹ 20.00 lakh (PY ₹ Nil).

40 CSR expenses

Operating expenses include ₹ 1,085.94 lakh for the year ended March 31, 2025 (P.Y. ₹ 904.79 lakh) towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013. Gross amount (including excess spending/Deficit of previous year) required to be spent by the Company during the year is ₹ 1,085.94 lakh. (P.Y. ₹ 904.79 lakh).

The Board of Directors of the Company has approved an amount of CSR of ₹ 1,085.94 lakh.

Notes to the Financial Statements

For the year ended March 31, 2025

40(a) The details of amount spent during the respective year towards CSR are as under:

Particulars	March 31, 2025			March 31, 2024		
	Amount Spent	Yet to be paid	Total	Amount Spent	Yet to be paid	Total
Construction/acquisition of any asset	86.14	-	86.14	10.00	-	10.00
On purposes other than above	1025.66	-	1025.66	893.52	-	893.52

40(b) Amount of shortfall at the end of year

No short fall during the FY 2024-25 and FY 2023-24

40(c) Unspent amount as per Section 135 (5) of the Companies Act, 2013

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance (A)	-	-
Amount required to be spent during the year (B)	-	-
Amount spent during the year (restricted to sum of A and B above)	-	-
Closing Balance - Unspent amount	-	-

40(d) Excess spent amount as per Companies Act, 2013

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance - Excess Spent	(31.34)	(32.61)
Amount required to be spent during the year	1,085.94	904.79
Amount spent during the year (including any excess for future periods)	1,111.80	903.52
Closing Balance - Excess Spent	(57.20)	(31.34)

40(e) Details of ongoing projects for financial year 2024-25

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In CSR Unspent Bank A/C		From Company's Bank A/C	From CSR Unspent Bank A/C	From Company's Bank A/C	From CSR Unspent Bank A/C
31.34	-	1,085.94	1,111.80	-	57.20	-

During the year ended March 31, 2025, the Company has spent excess amount of CSR amounting to ₹ 57.20 lakh. The said pre-spent shall be carried forward in next financial year in accordance with the provisions of Company Act, 2013.

40(f) Reason of shortfall at the end of year

No short fall for the FY 2024-25.

40(g) Nature of CSR activities

1. Plantation, Renewable Energy and Traditional Energy Sources e.g. Solar Energy, Bio Gas, and Promoting Green Home Practices.
2. Aavas Udaan: Skill Development: focusing on industry specific and new age courses.
3. Aavas Gurukul: School Infrastructure, Resources and Scholarship.

Notes to the Financial Statements

For the year ended March 31, 2025

4. Khelodaya: Sports Training, Scholarship, Sponsorship.
5. Road Safety and other Awareness programs.
6. Vishwakarma: Construction Worker Development- Focus on Construction Workers and their Families, Skill Building, Health and Safety, Social Security, Decent Work Environment.
7. Aavas Aahar Program, Health Care and Wellness, improving Health Infrastructure in Rural and Peri-Urban Areas, Health Camps.
8. Gram Siddhi- Enterprise Development, E-Commerce & Digital Marketing, Refresher Training to existing Gram Siddhis.
9. Association with Academic Institutions for R&D in the field of Green Housing; Environment Friendly Material, Designs and Construction Waste Management.

40(h) Details of related party transactions

The Company has paid ₹ 521.06 lakh for CSR expenditure to Aavas Foundation, public trust registered under section 12A and 80G of Income Tax Act 1961, established by the Company singly for the purpose of CSR.

41 Fair value measurement

41(a) Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

41(b) Fair Value of financial instruments which are not measured at Fair Value

The carrying amounts and fair value of the Company's financial instruments are reasonable approximations of fair values at financial statement level.

Valuation methodologies of financial instruments not measured at fair value

Loans

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings

The most of the Company's borrowings are at floating rate which approximates the fair value.

Debt securities and subordinate liabilities are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level.

Short Term and Other Financial Assets and Liabilities

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Assets held for sale

Real estate properties are valued based on a well progressed sale process with price quotes.

Notes to the Financial Statements

For the year ended March 31, 2025

42 Transfer of Financial assets

Transfers of financial assets that are not derecognised in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

₹ In Lakhs

Loans and advances measured at amortised cost	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	32,839.77	39,737.82
Carrying amount of associated liabilities	(32,307.38)	(39,093.24)

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Assignment Deal:

During the year ended March 31, 2025, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan , the company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

₹ In Lakhs

Loans and advances measured at amortised cost	Year ended March 31, 2025	Year ended March 31, 2024
Carrying amount of derecognised financial assets	1,69,178.29	1,38,107.04
Gain from derecognition	20,743.56	17,954.91

Co-lending Deal:

During the year ended March 31, 2025, the Company has transfered a pool of loans amounting to ₹ 12,602.47 lakh (P.Y. 541.30 lakh) by way of a Co-lending transaction during the year. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the Co-lending transaction on behalf of lender.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

₹ In Lakhs

Loans and advances measured at amortised cost	Year ended March 31, 2025	Year ended March 31, 2024
Carrying amount of derecognised financial assets	12,602.47	541.30
Gain from derecognition	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

43 Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital, Securities premium and all other equity reserves attributable to the equity holders of the Company net of intangible assets. The primary objective of the Company's capital management is safety and security of share capital and maximize the shareholder value.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the gearing ratio at reasonable level of 6-8 times in imminent year while the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to net worth ratio

₹ In Lakhs

Loans and advances measured at amortised cost	As at March 31, 2025	As at March 31, 2024
Debts	13,84,986.44	12,35,010.78
Net worth	4,30,881.77	3,73,149.79
Debt to Net worth (in times)	**3.21**	**3.31**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

44 Financial risk management objectives and policies

The Company's Principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk.

(A) Liquidity risk

Liquidity Risk refers to the risk that the company can not meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has given cash collateral for the securitisation transactions and do not expect any net cash outflow and hence guarantees given for securitisation transactions have not been shown as part of below table. Further, undisbursed loan amount being cancellable in nature are not disclosed as part of below mentioned maturity profile.

Notes to the Financial Statements

For the year ended March 31, 2025

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

Maturity profile of Financial liabilities as on March 31, 2025			
Particulars	**Borrowings**	**Payables**	**Other Financial liabilities**
1 Day to 1 year	3,24,134.12	488.49	20,290.25
Over 1 year to 3 years	6,26,661.88	-	197.61
Over 3 year to 5 years	4,93,823.54	-	-
Over 5 year	3,05,592.11	-	-
Total	**17,50,211.65**	**488.49**	**20,487.86**

Maturity profile of Financial liabilities as on March 31, 2024			
Particulars	**Borrowings**	**Payables**	**Other Financial liabilities**
1 Day to 1 year	3,22,744.99	3,093.93	18,638.80
Over 1 year to 3 years	5,38,848.38	-	142.81
Over 3 year to 5 years	3,80,432.03	-	-
Over 5 year	3,17,058.34	-	-
Total	**15,59,083.74**	**3,093.93**	**18,781.61**

(B) Credit risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher credit impaired assets. Company address credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.

The Company has created more than 60 templates of customer profiles through its experience over the years, with risk assessment measures for each geography in which it operates. The Company continuously seek to develop and update such profiles in order to identify and source reliable customers and improve efficiencies. The Company also conduct an analysis of the existing cash flow of customer's business to assess their repayment abilities. The Company has implemented a four prong system of credit assessment comprising underwriting, legal assessments, technical assessments and a risk containment unit.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 16,72,893.09 lakh and ₹ 14,42,255.64 lakh as of March 31, 2025 and March 31, 2024 respectively, being the total of the carrying amount of Loan assets and EIS receivable.

(C) Analysis of risk concentration

The Company's concentrations of risk are managed based on Loan to value (LTV) segregation as well as geographical spread. The following tables stratify credit exposures from housing and other loans to customers by range of loan-to-value (LTV) ratio .LTV is calculated as the ratio of gross amount of the loan - or the amount committed for loan commitments - to the value of the collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Notes to the Financial Statements

For the year ended March 31, 2025

Loans to customers:

LTV wise bifurcation:

As at March 31, 2025

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	3,69,705.82	5,666.18	4,099.99	3,79,471.99
41%-60%	5,66,226.99	8,656.28	6,154.04	5,81,037.31
61%-80%	5,17,513.72	7,785.78	5,476.95	5,30,776.45
More than 80%	1,38,543.37	1,972.02	1,902.93	1,42,418.32
Total	**15,91,989.90**	**24,080.26**	**17,633.91**	**16,33,704.07**

As at March 31, 2024

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	3,16,316.60	5,277.17	1,957.65	3,23,551.42
41%-60%	5,03,189.78	7,156.94	3,137.12	5,13,483.84
61%-80%	4,35,940.96	6,713.00	3,682.58	4,46,336.54
More than 80%	1,19,626.82	1,511.52	4,408.43	1,25,546.77
Total	**13,75,074.16**	**20,658.63**	**13,185.78**	**14,08,918.57**

Customer profile

As at March 31, 2025

Customer profile	Stage 1	Stage 2	Stage 3	Total
HOUSING:				
Salaried	6,91,097.50	4,632.92	3,795.80	6,99,526.22
Self employed	5,91,359.85	12,157.17	9,603.60	6,13,120.62
NON-HOUSING:				
Salaried	1,81,929.31	1,683.80	651.99	1,84,265.10
Self employed	1,27,603.24	5,606.37	3,582.52	1,36,792.13
Total	**15,91,989.90**	**24,080.26**	**17,633.91**	**16,33,704.07**

As at March 31, 2024

Customer profile	Stage 1	Stage 2	Stage 3	Total
HOUSING:				
Salaried	5,00,347.87	3,537.44	2,325.75	5,06,211.06
Self employed	5,97,489.36	10,275.02	7,540.23	6,15,304.61
NON-HOUSING:				
Salaried	91,548.39	1,350.11	642.27	93,540.77
Self employed	1,85,688.54	5,496.06	2,677.53	1,93,862.13
Total	**13,75,074.16**	**20,658.63**	**13,185.78**	**14,08,918.57**

Notes to the Financial Statements

For the year ended March 31, 2025

Loan Commitments:

LTV wise bifurcation:

As at March 31, 2025

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	14,106.08	23.39	-	14,129.47
41%-60%	29,019.22	75.42	-	29,094.64
61%-80%	15,378.35	34.34	-	15,412.69
More than 80%	5,214.49	17.73	-	5,232.22
Total	**63,718.14**	**150.88**	**-**	**63,869.02**

As at March 31, 2024

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	12,965.63	15.26	-	12,980.89
41%-60%	27,873.70	42.66	-	27,916.36
61%-80%	14,286.46	86.00	-	14,372.46
More than 80%	5,350.14	6.01	-	5,356.15
Total	**60,475.93**	**149.93**	**-**	**60,625.86**

Customer profile

As at March 31, 2025

Customer profile	Stage 1	Stage 2	Stage 3	Total
Salaried	45,960.54	49.53	-	46,010.07
Self employed	17,757.60	101.35	-	17,858.95
Total	**63,718.14**	**150.88**	**-**	**63,869.02**

As at March 31, 2024

Customer profile	Stage 1	Stage 2	Stage 3	Total
Salaried	24,658.06	49.84	-	24,707.90
Self employed	35,817.87	100.09	-	35,917.96
Total	**60,475.93**	**149.93**	**-**	**60,625.86**

(D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

(I) Interest Rate Risk:-

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding

Notes to the Financial Statements

For the year ended March 31, 2025

strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Due to the very nature of housing finance, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the company. Interest Rate Risk arises due to:

i) Changes in Regulatory or Market Conditions affecting the interest rates

ii) Short term volatility

iii) Prepayment risk translating into a reinvestment risk

iv) Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity:

Particulars	Basis Points	Effect on Profit before tax and equity	
		As at March 31, 2025	As at March 31, 2024
Loans			
Increase in basis points	50	5,723.47	4,611.02
Decrease in basis points	-50	(5,721.59)	(4,609.78)
Borrowings			
Increase in basis points	50	(4,629.95)	(3,447.26)
Decrease in basis points	-50	4,629.95	3,447.26

(II) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from bank.

(E) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Notes to the Financial Statements

For the year ended March 31, 2025

45 In compliance with RBI circular number RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 ,the Company has not invoked or implemented resolution plan under the "Resolution Framework for COVID-19 related Stress" for any of its borrower accounts.

Disclosure pursuant to RBI Notification -RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021

Type of Borrower	As at March 31, 2025				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2024 (A)	of (A) aggregate debt that slipped into NPA during the half year ended March 31, 2025	Of (A) amount written off during the half year ended March 31, 2025	Of (A) amount paid by the borrower during the half year ended March 31, 2025*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2025
Personal Loan	6,369.26	147.57	7.14	250.17	5,964.38
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**6,369.26**	**147.57**	**7.14**	**250.17**	**5,964.38**

* Amount paid by the borower during the half year is net of additions.

Impairment loss allowance on account of Covid-19 restructuring 2.0. is ₹ 426.06 lakh as on March 31, 2025 (P.Y. ₹ 844.07 lakh)

Type of Borrower	As at September 30, 2024				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2024 (A)	of (A) aggregate debt that slipped into NPA during the half year ended September 30, 2024	Of (A) amount written off during the half year ended September 30, 2024	Of (A) amount paid by the borrower during the half year ended September 30, 2024*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2024
Personal Loan	7,341.48	467.38	67.61	437.23	6,369.26
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**7,341.48**	**467.38**	**67.61**	**437.23**	**6,369.26**

* Amount paid by the borower during the half year is net of additions.

Notes to the Financial Statements

For the year ended March 31, 2025

Type of Borrower	As at March 31, 2024				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2023 (A)	of (A) aggregate debt that slipped into NPA during the half year ended March 31, 2024	Of (A) amount written off during the half year ended March 31, 2024	Of (A) amount paid by the borrower during the half year ended March 31, 2024*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2024
Personal Loan	7,975.61	244.34	43.84	345.95	7,341.48
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**7,975.61**	**244.34**	**43.84**	**345.95**	**7,341.48**

* Amount paid by the borower during the half year is net of additions.

Type of Borrower	As at September 30, 2023				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2023 (A)	of (A) aggregate debt that slipped into NPA during the half year ended September 30, 2023	Of (A) amount written off during the half year ended September 30, 2023	Of (A) amount paid by the borrower during the half year ended September 30, 2023*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2023
Personal Loan	9,026.79	770.56	68.83	211.80	7,975.61
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**9,026.79**	**770.56**	**68.83**	**211.80**	**7,975.61**

* Amount paid by the borower during the half year is net of additions.

Notes to the Financial Statements

For the year ended March 31, 2025

46 Disclosures required by the Reserve Bank of India /National Housing Bank as per Notification no. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17. 2021- Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended)

46.1 Summary of Material Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 to the Financial Statement for the year ended March 31, 2025.

Disclosure:

46.2 Capital

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR (%)	44.50%	43.98%
CRAR - Tier I capital (%)	44.38%	43.76%
CRAR - Tier II capital (%)	0.12%	0.23%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual Debt instruments	-	-

46.3 Reserve Fund u/s 29C of NHB Act, 1987

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		
Opening Balance	44,664.04	34,847.12
Additional during the year	11,486.89	9,816.92
Appropriation during the year	-	-
Closing Balance	56,150.93	44,664.04

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Special Reserve u/s 29C of The National Housing Bank Act, 1987 read with section 36 (1) (viii) of Income Tax Act, 1961		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	4,983.52	4,070.18
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	39,680.52	30,776.94
c) **Total**	**44,664.04**	**34,847.12**
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	1,079.23	913.34

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	10,407.66	8,903.58
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision under section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	6,062.75	4,983.52
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	50,088.18	39,680.52
c) Total	**56,150.93**	**44,664.04**

46.4 Investments

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Value of Investment		
Gross Value of Investment	**23,001.84**	**18,215.63**
In India	23,001.84	18,215.63
Outside India	-	-
Provision for Depreciation	**-**	**-**
In India	-	-
Outside India	-	-
Net Value of Investment	**23,001.84**	**18,215.63**
In India	23,001.84	18,215.63
Outside India	-	-
Movement of Provision held towards depreciation on Investment		
Opening Balance	**-**	**(264.15)**
Add: Provisions made during the year	-	-
Less: Write off/Write Back Excess provision during the year	-	264.15
Closing Balance	**-**	**-**

Notes to the Financial Statements

For the year ended March 31, 2025

46.5 Derivatives

a) Forward Rate Agreement/Interest Rate Swap

₹ In Lakhs

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	The notional principal of swap agreements*	20,427.76	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	104.87	-
(iii)	Collateral required by the NBFC upon entering into swaps	NA	NA
(iv)	Concentration of credit risk arising from the swaps	NA	NA
(v)	The fair value of the swap book	104.87	-

* As a part of currency risk management, the Company has entered into forward exchange contract of a notional amount of ₹ 20,427.76 lakh during the year ended March 31, 2025 (P.Y. ₹ Nil). The total outstanding amount of Foreign Currency Term Loan (FCTL) as on March 31, 2025 is ₹ 20,137.03 lakh ((P.Y. ₹ Nil).

b) Quantitative Disclosure - Currency Derivatives

₹ In Lakhs

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Derivatives (Notional Principal Amount)	20,427.76	-
(ii)	Market to Market Positions		
	(a) Assets (+)	104.87	-
	(b) Liability (-)	-	-
(iii)	Credit Exposure	104.87	-
(iv)	Unhedged Exposures	-	-

Qualitative Disclosure:

The Company's Board of Directors ("Board") has laid down Foreign Currency Risk Management Policy ("Policy") with respect managing foreign currency and related risk which include exchange and interest rate risk by using appropriate derivative instruments.

Board has empowered the Executive Committee of Board (hereinafter referred to as "EC") to decide the hedging level by using appropriate derivative instruments for borrowing transactions and, based on ALCO Committee review and recommendation, for non borrowing transaction.

Management continuously identifies potential foreign currency and related risks for any foreign currency borrowing at each and every transaction level, analyse them and takes precautionary steps such as hedging and/ or use of appropriate derivative instrument to reduce/curb the foreign currency and related risk as per the Policy.
Periodical report of all hedging/derivative transactions are being presented to Risk Management Committee of the Board and/or ALCO.
As per the Companies Act, 2013 and with reference to various guidelines issued by RBI/NHB from time to time, the company is following the applicable accounting standards issued by ICAI for accounting of such transactions and accordingly due disclosures has been made in notes to accounts. During the period under review the Company has used Forward Contracts to mitigate exchange rate risk with respect to all contractual cash flows of Foreign Currency Term Loan of USD 2.367 Cr availed by Company.

2) The company has unhedged foreign currency liability on March 31, 2025 of ₹ Nil (P.Y. 156.30 lakh)

Notes to the Financial Statements

For the year ended March 31, 2025

46.6 Securitisation

a. Disclosure as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021, assignment /securitisation transactions as an originator:

₹ In Lakhs

Particulars	No. / Amount	
	As at March 31, 2025	As at March 31, 2024
1. No of SPVs sponsored by the HFC for securitisation transactions	4	4
2. Total amount of securitised assets as per books of the SPVs sponsored	32,814.58	39,737.82
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
(I) Off-balance sheet exposures towards Credit Concentration		
First Loss	-	-
Others	-	-
(II) On-balance sheet exposures towards Credit Concentration		
First Loss (In the form of Fixed Deposits)	2,596.58	2,596.58
Series A PTCs	532.32	644.58
4. Amount of exposures to securitisation transactions other than MRR		
(I) Off-balance sheet exposures towards Credit Concentration		
a) Exposure to own securitizations		
First Loss	-	-
Others (Guarantees provided by banks on behalf of the Company*)	430.70	430.70
b) Exposure to third party securitisations		
First Loss	-	-
Others	-	-
(II) On-balance sheet exposures towards Credit Concentration		
a) Exposure to own securitisations		
First Loss	-	-
Others	-	-
b) Exposure to third party securitisations		
First Loss	-	-
Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
Liquidity Support		
Number of transaction		
Outstanding Value		
Post Securitisation Assets servicing		
Number of transaction	4	4
Outstanding Value	32,814.58	39,737.82

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Particulars	No. / Amount	
	As at March 31, 2025	As at March 31, 2024
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
Credit enhancement facility		
No of Transaction	**4**	**4**
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	3,027.28	3,027.28
Servicing Agent		
No of Transaction	**4**	**4**
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	32,814.58	39,737.82
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
Asset Class- RMBS	**1.08%**	**0.93%**
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
Asset Class- RMBS		
Number of additional/ Top Up Loan	169	358
Amount of additional/ Top Up Loan	822.91	1,504.30
10. Investor complaints		
a) Directly/Indirectly received and	-	-
b) Complaints outstanding	-	-

* Second Loss facility

b. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Number of accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

c. Details of Assignment transactions undertaken by company

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Number of accounts	17,783	16,934
Aggregate value (net of provisions) of accounts assigned*	1,52,260.46	1,24,296.34
Aggregate consideration	1,52,260.46	1,24,296.34
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

* Represents amount related to share of asignee.

d. Details of non-performing financial assets purchased/sold

i Details of non-performing financial assets purchased:

The company has not purchased non-performing financial assets in the current and previous year.

ii Details of non-performing financial assets sold:

The company has not sold non-performing financial assets in the current and previous year.

46.7 Asset liability management

Maturity pattern as on March 31, 2025

₹ In Lakhs

Particulars	Liabilities				Assets			
	Deposits	Borrowings from banks**	Market borrowings	Foreign currency Liability #	Advance	Investments	Fixed Deposits*	Foreign currency Assets
1 to 7 Days	-	2,586.67	-	-	17,731.64	-	-	-
8 to 14 Days	-	141.00	-	-	5,461.75	-	-	-
15 Days to 30/31 Days	-	3,419.17	3,035.13	-	10,353.79	-	26,500.00	-
Over 1 month to 2 month	-	7,616.09	-	232.84	20,354.47	2,480.79	20,505.88	-
Over 2 month to 3 month	-	10,750.23	3,683.90	-	20,301.20	3,542.04	16,500.00	-
Over 3 month to 6 month	-	53,521.96	9,630.20	-	61,796.70	2,028.21	88,602.56	-
Over 6 month to 1 year	-	1,19,251.09	13,960.88	1,413.59	1,22,924.10	492.08	126.86	-
Over 1 year to 3 years	-	4,27,343.94	49,197.42	5,679.90	4,59,693.18	14,458.72	-	-
Over 3 year to 5 years	-	3,17,809.86	93,239.96	5,690.31	3,92,908.04	-	-	-
Over 5 years	-	2,69,798.95	-	7,120.39	5,22,179.20	-	-	-
Total	**-**	**12,12,238.96**	**1,72,747.49**	**20,137.03**	**16,33,704.07**	**23,001.84**	**1,52,235.30**	**-**

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Maturity pattern as on March 31, 2024

₹ In Lakhs

Particulars	Liabilities				Assets			
	Deposits	Borrowings from banks**	Market borrowings	Foreign currency Liability #	Advance	Investments	Fixed Deposits*	Foreign currency Assets
1 to 7 Days	-	1,849.70	-	-	14,837.16	-	5,300.00	-
8 to 14 Days	-	-	-	-	4,727.36	-	25,700.00	-
15 Days to 30/31 Days	-	5,085.64	911.19	-	8,990.31	-	22,100.00	-
Over 1 month to 2 month	-	7,088.94	-	-	17,153.16	-	76,200.00	-
Over 2 month to 3 month	-	14,924.50	3,717.45	-	17,126.33	-	46,202.04	-
Over 3 month to 6 month	-	46,608.20	39,781.29	-	52,356.75	-	126.62	-
Over 6 month to 1 year	-	1,08,942.03	9,657.72	-	1,04,163.16	5,434.93	1.12	-
Over 1 year to 3 years	-	3,53,018.31	57,899.89	-	3,90,942.39	12,780.70	-	-
Over 3 year to 5 years	-	2,81,938.44	29,288.41	-	3,36,896.32	-	-	-
Over 5 years	-	2,74,299.07	-	-	4,61,725.63	-	-	-
Total	**-**	**10,93,754.83**	**1,41,255.95**	**-**	**14,08,918.57**	**18,215.63**	**1,75,629.78**	**-**

* Fixed deposits included in cash and bank balance other than those pledged towards first loss guarantee have been disclosed in the above table as these are considered as investment of surplus funds held by the Company for the purpose of this disclosure.

**including foreign currency borrowing

Borrowing from Banks includes a Foreign Currency Term Loan (FCTL) of USD 2.367 crore availed by converting a Rupee Term Loan (RTL) of ₹ 200 crores. In terms of sanction conditions, the FCTL will have short tenor with option to roll-over further or reconvert into RTL on maturity date. The reconverted RTL will be repayable as per the actual repayment terms of original schedule of RTL and in view of the same, the maturity buckets in foreign currency liability and in borrowings above has been stated on basis of repayment schedule of RTL. However, the contractual maturity of current outstanding FCTL, before conversion or roll-over on maturity, will be Over 1 month to 2 month bucket.

46.8 Exposure

a. Exposures to real estate sector

₹ In Lakhs

Category	As at March 31, 2025	As at March 31, 2024
(A) Direct exposure-		
i) Residential mortgages :		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans upto ₹ 15 lakh : ₹ 6,36,031.01 lakh (PY ₹ 5,75,952.38 lakh)	16,13,934.04	13,94,514.27
ii) Commercial real estate :		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based (NFB) limits. (It includes CRE-RH loans of ₹ 19,559.72 Lakh (P.Y. ₹ 14,164.19 Lakhs).	19,770.04	14,404.31

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Category	As at March 31, 2025	As at March 31, 2024
iii) Investments in mortgage backed securities (MBS) and other securitized exposures :		
(a) Residential	-	-
(b) Commercial real estate.	Nil	Nil
(B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
Total Exposures to real estate sector	**16,33,704.08**	**14,08,918.58**

b. Exposure to Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

c. Sectoral exposure

Sectors	Year ended March 31, 2025			Year ended March 31, 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
i. Micro and Small	1,91,227.70	1,687.54	0.88%	1,67,402.24	804.94	0.48%
Total of Industry	**1,91,227.70**	**1,687.54**	**0.88%**	**1,67,402.24**	**804.94**	**0.48%**
3. Services						
i. Commercial real estate*	24,414.50	106.42	0.44%	18,236.47	33.77	0.19%
Total of Services	**24,414.50**	**106.42**	**0.44%**	**18,236.47**	**33.77**	**0.19%**
4. Personal Loans						
i. Housing Loan (including priority sector Housing)	13,00,264.04	12,796.98	0.98%	11,19,537.42	9,486.43	0.85%
ii. Loan against property	1,81,666.86	3,042.96	1.68%	1,64,368.30	2,860.64	1.74%
Total of Personal Loans (i+ii)	**14,81,930.90**	**15,839.94**	**1.07%**	**12,83,905.72**	**12,347.07**	**0.96%**
5. Others, if any(please specify)	-	-	-	-	-	-
Total	**16,97,573.10**	**17,633.90**	**1.04%**	**14,69,544.43**	**13,185.78**	**0.90%**

*It includes CRE-RH loans of ₹ 24190.01 lakh (P.Y. ₹ 17,977.50 lakh)

d. Details of financing of parent company products

There is no financing of parent company products.

e. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB during the financial year.

Notes to the Financial Statements

For the year ended March 31, 2025

f. Unsecured Advances

The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

g. Exposure to group companies engaged in real estate business

The company has no exposure to group companies engaged in real estate business in current and previous year.

46.9 Additional Disclosures

a. Provisions and Contingencies

₹ In Lakhs

Break up of "Provisions and Contingencies"shown under the head Expenditure in Profit and Loss Account	Year ended March 31, 2025	Year ended March 31, 2024
1. Provisions for depreciation on investment	-	-
2. Provision made towards current tax	14,315.72	12,368.54
3. Provision towards NPA	1,891.95	1,487.04
4. Provision for Standard Assets (with details like teaser loan , CRE , CRE-RH etc.)*	331.15	394.81

*Provision for Standard Assets includes CRE of ₹ (0.33) lakh (P.Y ₹ (1.29) lakh) , CRE-RH of ₹ (19.30) lakh (P.Y ₹ 8.93 lakh) and Non CRE of ₹ 350.78 lakh (P.Y ₹ 384.59 lakh).

₹ In Lakhs

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Standard Assets				
a) Total Outstanding Amount	12,52,501.13	10,71,059.11	3,63,569.04	3,24,673.68
b) Provisions made	3,623.35	3,443.01	1,390.53	1,239.72
Sub-Standard Assets				
a) Total Outstanding Amount	6,519.96	4,745.78	2,547.87	2,068.78
b) Provisions made	1,543.93	1,123.80	603.34	489.89
Doubtful Assets - Category - I				
a) Total Outstanding Amount	2,607.36	2,425.33	954.06	931.38
b) Provisions made	657.77	592.33	242.27	226.59
Doubtful Assets - Category - II				
a) Total Outstanding Amount	2,524.47	2,014.18	966.00	595.71
b) Provisions made	1,062.59	812.35	389.75	222.96
Doubtful Assets - Category - III				
a) Total Outstanding Amount	1,122.84	265.71	248.80	68.13
b) Provisions made	882.49	214.33	194.58	46.13
Loss Assets				
a) Total Outstanding Amount	127.89	68.06	14.66	2.72
b) Provisions made	127.89	68.06	14.66	2.72
TOTAL				
a) Total Outstanding Amount	**12,65,403.65**	**10,80,578.17**	**3,68,300.43**	**3,28,340.40**
b) Provisions made	**7,898.02**	**6,253.88**	**2,835.13**	**2,228.01**

Notes to the Financial Statements

For the year ended March 31, 2025

b. Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2025 (P.Y. Nil)

c. Concentration of Public Deposits, Advances, Exposures and NPAs

₹ In Lakhs

	As at March 31, 2025	As at March 31, 2024
Concentration of Public Deposits		
Total Deposits of twenty largest depositors	NA	NA
(%) of Deposits of twenty largest depositors to Total Deposits of the Company	NA	NA
Concentration of Advances		
Total Loans & Advances to twenty largest borrowers	4,883.09	4,048.15
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the Company	0.30%	0.29%
Concentration of all Exposures (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers/Customers	5,386.42	4,505.42
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the Company on borrowers/customers	0.32%	0.31%
Concentration of NPAs		
Total Exposures to top ten NPA accounts	690.58	588.52

Sector-Wise NPAs

₹ In Lakhs

Sector		% of NPAs to total Advances in that sector	
		As at March 31, 2025	As at March 31, 2024
A.	**Housing Loans:**		
1	Individuals*	1.01%	0.88%
2	Builders/Project Loans	0.01%	0.00%
3	Corporates	0.00%	0.00%
4	Others	0.00%	0.00%
B.	**Non Housing Loans:**		
1	Individuals*	1.28%	1.12%
2	Builders/Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Others	0.00%	0.00%

*Percentage has been computed taking the amount of Housing Loans and Non Housing Loans respectively

Notes to the Financial Statements

For the year ended March 31, 2025

d. Movement of NPAs

₹ In Lakhs

Particulars		As at March 31, 2025	As at March 31, 2024
(I)	Net NPAs to Net Advances (%)	0.73%	0.67%
(II)	Movement of NPAs (Gross)		
a)	Opening Balance	13,185.78	10,668.99
b)	Additions during the year	8,955.28	6,755.42
c)	Reductions during the year	(4,507.15)	(4,238.63)
d)	Closing Balance	**17,633.91**	**13,185.78**
(III)	Movement of Net NPAs		
a)	Opening Balance	9,386.62	7,798.46
b)	Additions during the year	5,877.03	4,731.47
c)	Reductions during the year	(3,349.01)	(3,143.31)
d)	Closing Balance	**11,914.64**	**9386.62**
(IV)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
a)	Opening Balance	3,799.16	2,870.53
b)	Provisions made during the year	3,078.25	2,023.94
c)	Write-off/Write-Back of excess provisions	(1,158.14)	(1,095.31)
d)	Closing Balance	**5,719.27**	**3,799.16**

e. Overseas Assets

The Company does not have any overseas assets.

f. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

46.10 Miscellaneous

a. Registration obtained from other Financial sector regulators

Regulator	Registration No.
Insurance Regulatory and Development Authority of India:	CA0537
As Corporate Agent (Composite)	

b. Disclosure of penalties imposed by NHB or RBI and any other regulator/ supervisor/ enforcement authority

During FY 2024-25, there were no penalties imposed by NHB or RBI and any other regulator/ supervisor/enforcement authority.

Notes to the Financial Statements

For the year ended March 31, 2025

c. Related Party Transactions

₹ In Lakhs

Related Party/ Items	Subsidiaries		Key Management Personnel		Enterprises under significant influence of the Key Management Personnel		Others		Total	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Proceeds from voluntary liquidation (Refer note no. B)	-	1,172.02	-	-	-	-	-	-	-	1,172.02
Issue of Equity shares	-	-	3.28	43.05	-	-	-	-	3.28	43.05
Remuneration	-	-	925.33	1,094.43	-	-	-	-	925.33	1,094.43
Share based Payment	-	-	656.17	512.77	-	-	-	-	656.17	512.77
Commission	-	-	163.50	130.80	-	-	-	-	163.50	130.80
Loan outstanding #	-	-	26.86	28.43	-	-	-	-	26.86	28.43
Loan repaid	-	-	1.57	1.78	-	-	-	-	1.57	1.78
Interest on Loan	-	-	1.29	1.65	-	-	-	-	1.29	1.65
Contribute as a Settler (CSR)	-	-	-	-	521.06	429.10	-	-	521.06	429.10
Gratuity Contribution	-	-	-	-	-	-	*408.67	*303.00	408.67	303.00
Receivable from voluntary liquidation	-	5.00	-	-	-	-	-	-	-	5.00
Others Received	-	2.42	-	-	-	-	-	-	-	2.42
Others payable	-	-	-	-	-	-	**5.33	**4.13	5.33	4.13
Others Paid	-	2.38	-	-	-	-	**52.72	**5.64	52.72	8.02
Total	**-**	**1,181.82**	**1,778.00**	**1,812.91**	**521.06**	**429.10**	**466.72**	**312.77**	**2,765.78**	**3,736.60**

*Post Employment Benefit Plan

** Maximum Amount outstanding for services received from Entity in which director of the Company is a director during the current year is ₹ 22.42 lakh (P.Y. ₹ 6.40 lakh)

Maximum Amount outstanding for loan given to key management personnel during the current year is ₹ 28.27 lakh (P.Y. ₹ 30.07 lakh)

Notes to the Financial Statements

For the year ended March 31, 2025

d. Ratings assigned by credit rating agencies and migration of ratings during the year:

During the year, CARE has reaffirmed long term rating of AA/Stable and short term rating of A1+ to the company. ICRA has reaffirmed long term rating of AA/Stable and short term rating of A1+ to the company. India Ratings has reaffirmed short term credit rating of A1+ to the company during the year.

Aavas Financiers Limited Ratings are as under :

S. NO.	Name of the Rating Agency	Programme	Rating Assigned	Migration of ratings during the year
1	CARE	Long Term Banking Facilities	CARE AA/ Stable	-
		Non-Convertible Debentures	CARE AA/ Stable	-
		Commercial Paper	CARE A1+	-
2	ICRA	Non- Convertible Debenture	ICRA AA/ Stable	-
		Long Term Bank Lines	ICRA AA/ Stable	-
		Commercial Paper	ICRA A1+	-
		PTC Securitization (Prime home Loan Trust I)	ICRA AAA(SO)	-
		PTC Securitization (Prime home Loan Trust II)	ICRA AAA(SO)	-
		PTC Securitization (Prime home Loan Trust III)	ICRA AA(SO)	-
		PTC Securitization (Prime home Loan Trust IV)	ICRA AA(SO)	-
3	INDIA RATINGS	Short Term Debts	IND A1+	-

e. Intra-group exposures

There are no Intra-group exposures in the current and previous year.

f. Remuneration of Directors

Details of Remuneration of Directors are disclosed in Note no. 36 Related party transactions.

g. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items and changes in accounting policies that have impact on the current year's profit and loss.

h. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

I. Consolidated Financial Statements (CFS)

The Company does not have any subsidiary/associate/joint venture company(ies), Hence it is not require to prepare its consolidated financial statement.

46.11 Disclosure of Complaints

a. Customers Complaints

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	400	380
3	Number of complaints disposed during the year	400	380
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0

Notes to the Financial Statements

For the year ended March 31, 2025

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Top five grounds of complaints received by the NBFCs from customers

Sr. No	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
	As at March 31, 2025					
1	Delivery of documents	0	117	Increased by 22%	0	0
2	Related to charges(ROI/Foreclosure/ Overdue/PDC etc.)	0	79	Increased by 44%	0	0
3	Disbursement related	0	62	Decreased by 14%	0	0
4	Post Disbursement/After closure services	0	29	Increased by 4%	0	0
5	Property papers/NOC	0	25	Increased by 9%	0	0
6	Others	0	88		0	0
	Total	**0**	**400**		**0**	**0**
	As at March 31, 2024					
1	Delivery of documents	0	96	Increased by 191%	0	0
2	Disbursement related	0	72	Increased by 260%	0	0
3	Related to charges(ROI/Foreclosure/ Overdue/PDC etc.)	0	55	Increased by 28%	0	0
4	Post Disbursement/After closure services	0	28	Increased by 367%	0	0
5	Property papers/NOC	0	23	Increased by 21%	0	0
6	Others	0	106		0	0
	Total	**0**	**380**		**0**	**0**

Notes to the Financial Statements

For the year ended March 31, 2025

46.12 Diagrammatic representation of group structure

The Company does not have any subsidiary/associate/joint venture company(ies), at the end of current and previous year.

46.13 Liquidity Risk Management Framework

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Number of significant counter parties	18	19
Amount	13,24,629.00	11,87,579.56
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities*	92.91%	93.17%

* Total liabilities excludes net worth

(ii) Top 20 large deposits

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total amount of top 20 deposits	N/A	N/A
Percentage of amount of top 20 deposits to total deposits	N/A	N/A

(iii) Top 10 borrowings

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total amount of top 10 borrowings	11,19,968.49	9,84,095.45
Percentage of amount of top 10 borrowings to total borrowings	80.86%	79.68%

(iv) Funding Concentration based on significant instrument/product

Particulars	As at March 31, 2025	Percentage of total liabilities	As at March 31, 2024	Percentage of total liabilities
Borrowings from Banks	8,81,574.72	61.83%	7,27,780.22	57.10%
Borrowings from National Housing Bank (NHB)	2,57,678.50	18.07%	3,04,157.86	23.86%
Debt securities	1,31,651.24	9.23%	95,215.93	7.47%
External Commercial Borrowings (including Rupee Denominated Bonds)	41,096.25	2.88%	46,040.03	3.61%
Borrowings from Financial institutions	27,725.70	1.94%	4,994.68	0.39%
Subordinated liabilities	-	0.00%	-	0.00%
Securitisation	32,324.77	2.27%	39,107.70	3.07%
Borrowings from Insurance Companies	3,123.65	0.22%	4,372.52	0.34%
Cash Credit	9,811.61	0.69%	13,341.85	1.05%

Notes to the Financial Statements

For the year ended March 31, 2025

(v) Stock ratio

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Commercial paper as a percentage of total public funds	N/A	N/A
Commercial paper as a percentage of total liabilities	N/A	N/A
Commercial paper as a percentage of total assets	N/A	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	N/A	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	N/A	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	N/A	N/A
Other short term liabilities as a percentage of total public funds	18.41%	21.61%
Other short term liabilities as a percentage of total liabilities	17.88%	20.94%
Other short term liabilities as a percentage of total assets	13.70%	16.16%

(vi) Institutional set-up for liquidity risk Management

The company has an Asset Liability Management Committee (ALCO) to monitor asset liability mismatches to ensure that there is no imbalances or excessive concentration on the either side of the balance sheet. The company maintains a judicious mix of borrowings in the form of Term Loans, Refinance, Capital Market Instruments, Securitization, Working Capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Development Financial Institution, Mutual Funds, Insurance Companies etc.

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board.

Refer note no. 44 of financial statements.

46.14 Loans against security of shares - Nil

Refer to the note no. 5(v) of Loans

46.15 Loans against security of single product - gold jewellery - Nil

Refer to the note no. 5(iv) of Loans

Notes to the Financial Statements

For the year ended March 31, 2025

46.16 Institutional set-up for liquidity risk management

Quarter on quarter Liquidity Coverage Ratio for the financial year ended March 31, 2025 :

Sr No		As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH QUALITY LIQUID ASSETS									
1	**Total High Quality Liquid Assets (HQLA)	20,212.62	20,212.62	23,125.18	23,125.18	20,972.61	20,972.61	22,028.79	22,028.79
CASH OUTFLOWS									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,172.08	1,347.89	325.77	374.64	1,140.39	1,311.45	310.40	356.96
4	Secured wholesale funding	15,518.63	17,846.43	29,684.99	34,137.74	18,806.00	21,626.89	19,942.02	22,933.32
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	1.77	2.04	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	36,887.84	42,421.02	25,108.86	28,875.19	27,114.37	31,181.52	35,534.93	40,865.17
6	Other contractual funding obligations	5,397.25	6,206.84	5,891.31	6,775.00	6,236.41	7,171.88	5,733.33	6,593.33
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	58,975.80	67,822.18	61,010.93	70,162.57	53,298.94	61,293.78	61,520.68	70,748.78
CASH INFLOWS									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	30,520.57	22,890.43	31,282.79	23,462.09	32,193.06	24,144.80	33,483.80	25,112.85
11	Other cash inflows	1,06,672.52	80,004.39	1,25,303.03	93,977.27	97,812.82	73,359.62	1,09,470.74	82,103.06
12	TOTAL CASH INFLOWS	1,37,193.09	1,02,894.82	1,56,585.82	1,17,439.36	1,30,005.88	97,504.42	1,42,954.54	1,07,215.91
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA		20,212.62		23,125.18		20,972.61		22,028.79
14	TOTAL NET CASH OUTFLOWS		16,955.55		17,540.64		15,323.44		17,687.19
15	LIQUIDITY COVERAGE RATIO (%)		119.21%		131.84%		136.87%		124.55%

Notes to the Financial Statements

For the year ended March 31, 2025

Sr No	**COMPONENT OF HQLA	As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any Haircut	20,212.62	20,212.62	23,125.18	23,125.18	20,972.61	20,972.61	22,028.79	22,028.79
2	Assets to be considered For HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered For HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-

Quarter on quarter Liquidity Coverage Ratio for the financial year ended March 31, 2024 :

Sr No		As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		As at March 31, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH QUALITY LIQUID ASSETS									
1	**Total High Quality Liquid Assets (HQLA)	12,723.21	12,723.21	15,131.02	15,131.02	17,280.71	17,280.71	18,420.37	18,420.37
CASH OUTFLOWS									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,148.67	1,320.97	269.55	309.98	4,665.70	5,365.55	273.12	314.09
4	Secured wholesale funding	12,375.63	14,231.98	15,314.36	17,611.51	14,627.53	16,821.66	17,017.92	19,570.60
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	23,914.73	27,501.94	27,006.62	31,057.61	30,032.03	34,536.83	39,168.34	45,043.60
6	Other contractual funding obligations	4,994.51	5,743.68	5,866.85	6,746.88	6,054.35	6,962.50	5,673.08	6,524.04
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	42,433.54	48,798.57	48,457.38	55,725.98	55,379.61	63,686.54	62,132.46	71,452.33
CASH INFLOWS									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	25,199.53	18,899.65	25,607.06	19,205.30	26,783.39	20,087.54	28,504.40	21,378.30

Notes to the Financial Statements

For the year ended March 31, 2025

Sr No		As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		As at March 31, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
11	Other cash inflows	1,30,891.36	98,168.52	1,42,713.73	1,07,035.30	1,31,925.85	98,944.38	1,17,929.40	88,447.05
12	TOTAL CASH INFLOWS	1,56,090.89	1,17,068.17	1,68,320.79	1,26,240.60	1,58,709.24	1,19,031.92	1,46,433.80	1,09,825.35
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA	12,723.21		15,131.02		17,280.71		18,420.37	
14	TOTAL NET CASH OUTFLOWS	12,199.64		13,931.50		15,921.64		17,863.08	
15	LIQUIDITY COVERAGE RATIO (%)	104.29%		108.61%		108.54%		103.12%	

Sr No	**COMPONENT OF HQLA	As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		As at March 31, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any Haircut	12,723.21	12,723.21	15,131.02	15,131.02	17,280.71	17,280.71	18,420.37	18,420.37
2	Assets to be considered For HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered For HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-

Qualitative Disclosure of LCR

RBI had issued guidelines on liquidity risk management for NBFCs/HFCs vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 wherein RBI introduced Liquidity Coverage Ratio (LCR). The objective of the guidelines is to ensure that NBFCs/HFCs maintains a liquidity buffer in terms of LCR in addition to various process related aspects of liquidity risk management framework. LCR has to be maintained in the form sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for subsequent 30 calendar days. LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. Further, RBI vide Circular No. RBI/2020-21/60 DOR. NBFC (HFC).CC. No.118/03.10.136/2020-21 dated October 22, 2020, provided non deposit taking HFCs with time extension for minimum LCR of 50% to be maintained by December 01, 2021 which is to be gradually increased to 100% by December 01, 2025. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The liquidity risk management including LCR of the Company is governed by the Liquidity Risk Management (LRM) Policy approved by the board. The Asset Liability Committee (ALCO) is responsible for managing the LCR of the Company in line with the LRM Policy. Company regularly reviews the position of inflows, outflows and the liquidity buffers and ensures maintenance of sufficient quantum of High Quality Liquid Assets.

For computation of stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, stressed cash inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%. Finally, Net Cash Outflow is arrived by deducting the stressed cash inflows from stressed cash outflow. However, total net cash outflows will be subjected to a minimum of 25% of total stressed cash outflows. The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days

Notes to the Financial Statements

For the year ended March 31, 2025

Cash outflow under secured wholesale funding majorly includes contractual obligations under Term loans, NHB Re-Finance, NCDs, Interest payable within next 30 days. Outflow under credit and liquidity facilities, the Company considers the expected cash outflow of the committed credit facilities contracted with the customers. Outflow under other contractual funding obligations primarily includes outflow on account of expected operating expenses and other dues. In Inflows from fully performing exposures, Company considers the collection from performing advances in next 30 days. Other Cash inflows includes investments in mutual funds, FDs which can be liquidate within 30 days including interest receivable thereon. Company has no meaningful currency mismatch in LCR and Company is not expecting any cash outflow within next 30 days on account of derivative exposure and potential collateral requirement. For concentration of funding sources refer disclosure on the Liquidity Risk Management Framework as per note 46.13.

Tabled above the Intra-period changes as well as changes over time in the various components of the LCR, HQLA & average LCR. The Average LCR for the quarter ended March 31, 2025 was 124.55% which is well above present prescribed minimum requirement of 85% and the average LCR of previous periods during the year were also well above the prescribed minimum requirement of respective period.

As on March 31, 2025 most of the HQLAs of the Company are in the form of unencumbered government securities and unencumbered Cash and Bank balances and composition of unencumbered government securities in the HQLA was 96.74% for the quarter ended March 31, 2025.

46.17 Principal Business Criteria for HFCs

"Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

RBI vide its circular number RBI/2020-21/73/DOR.NBFC (HFC) CC.NO 120/03.10.136/2020-21 dated february 17,2021 (as Amended) defined the principal business criteria for HFCs. The Company meets the aforesaid principal business criteria for HFCs.

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total Assets*	18,22,805.93	16,18,730.90
Less: Intangible assets	(5,201.46)	(4,181.73)
Net total Assets	18,17,604.47	16,14,549.17
Housing Finance	12,57,505.63	10,74,324.29
Individual Housing Finance	12,37,920.74	10,60,083.88
Percentage of housing finance to total assets (netted off intangible assets)	69.18%	66.54%
Percentage of individual housing finance to total assets (netted off intangible assets)	68.11%	65.66%
Percentage of individual housing finance to housing finance	98.44%	98.67%

*Total Assets excludes Net EIS receivable

Notes to the Financial Statements

For the year ended March 31, 2025

46.18 In compliance with RBI circular number RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments' is as belows:

₹ In Lakhs

Asset Classification as per RBI Norms	As at March 31, 2025					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions taken as IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	15,59,582.97	2,288.50	15,57,294.47	4,564.69	(2,276.19)
	Stage 2	23,761.34	2,648.61	21,112.73	668.06	1,980.55
Subtotal		**15,83,344.31**	**4,937.11**	**15,78,407.20**	**5,232.75**	**(295.64)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	8,927.40	2,114.01	6,813.39	1,351.80	762.21
Doubtful - up to 1 year	Stage 3	3,506.67	886.88	2,619.79	962.22	(75.34)
1 to 3 years	Stage 3	3,410.84	1,411.01	1,999.83	1,418.86	(7.85)
More than 3 years	Stage 3	1,336.80	1,045.19	291.61	1,340.54	(295.35)
Subtotal for doubtful		**8,254.31**	**3,343.08**	**4,911.24**	**3,721.62**	**(378.54)**
Loss	Stage 3	142.55	142.55	-	142.55	-
Subtotal for NPA		**17,324.26**	**5,599.64**	**11,724.63**	**5,215.97**	**383.67**
Other items such as loan commitments, EIS etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,34,679.52	192.36	1,34,487.16	-	192.36
	Stage 2	872.88	76.87	796.01	-	76.87
	Stage 3	541.14	175.66	365.48	-	175.66
Subtotal		**1,36,093.54**	**444.89**	**1,35,648.65**	**-**	**444.89**
Total	**Stage 1**	**16,94,262.49**	**2,480.86**	**16,91,781.63**	**4,564.69**	**(2,083.83)**
	Stage 2	**24,634.22**	**2,725.48**	**21,908.74**	**668.06**	**2,057.41**
	Stage 3	**17,865.40**	**5,775.30**	**12,090.11**	**5,215.97**	**559.34**
	Total	**17,36,762.11**	**10,981.64**	**17,25,780.48**	**10,448.71**	**532.92**

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Asset Classification as per RBI Norms	As at March 31, 2024					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions taken as IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	13,35,578.37	3,066.45	13,32,511.92	3,915.32	(848.87)
	Stage 2	20,381.25	1,511.77	18,869.48	809.34	702.43
Subtotal		**13,55,959.62**	**4,578.22**	**13,51,381.40**	**4,724.66**	**(146.44)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,699.89	1,586.53	5,113.36	1,007.94	578.59
Doubtful - up to 1 year	Stage 3	3,335.24	813.84	2,521.40	852.21	(38.37)
1 to 3 years	Stage 3	2,530.91	1,005.28	1,525.63	1,044.52	(39.24)
More than 3 years	Stage 3	312.31	238.94	73.37	313.06	(74.12)
Subtotal for doubtful		**6,178.46**	**2,058.06**	**4,120.40**	**2,209.79**	**(151.73)**
Loss	Stage 3	70.78	70.78	-	70.78	-
Subtotal for NPA		**12,949.13**	**3,715.37**	**9,233.76**	**3,288.51**	**426.86**
Other items such as loan commitments, EIS etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,32,873.13	313.24	1,32,559.89	-	313.24
	Stage 2	726.49	23.41	703.08	-	23.41
	Stage 3	373.12	116.11	257.01	-	116.11
Subtotal		**1,33,972.74**	**452.76**	**1,33,519.98**	**-**	**452.76**
Total	**Stage 1**	**14,68,451.50**	**3,379.69**	**14,65,071.81**	**3,915.32**	**(535.63)**
	Stage 2	**21,107.74**	**1,535.18**	**19,572.56**	**809.34**	**725.84**
	Stage 3	**13,322.27**	**3,831.49**	**9,490.77**	**3,288.51**	**542.98**
	Total	**15,02,881.51**	**8,746.36**	**14,94,135.14**	**8,013.17**	**733.19**

46.19 Schedule to the Balance Sheet of an HFC

₹ In Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
Liabilities side	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	1,31,651.24	-	95,215.93	-
: Unsecured	41,096.25	-	46,040.03	-
(other than falling within the meaning of public deposits)				-

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
Liabilities side	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
(b) Deferred Credits	-	-		-
(c) Term Loans	11,70,102.57	-	10,41,305.28	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	NA	-	NA	-
(g) Other Loans (Cash credit, Securitization and Subordinated Liabilities)	42,136.39	-	52,449.55	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	NA	NA	NA	NA
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA	NA	NA
(c) Other public deposits	NA	NA	NA	NA

₹ In Lakhs

Assets side	As at March 31, 2025	As at March 31, 2024
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	16,33,704.07	14,08,918.57
(b) Unsecured	-	-
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

Assets side	As at March 31, 2025	As at March 31, 2024
(5) Break-up of Investments		
Current Investments		
1. Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	6,062.33	5,434.93
(v) Treasury Bills	2,480.79	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Treasury Bills	-	-
Long Term investments		
1. Quoted		
(i) Share		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	14,458.73	12,780.70
(v) Others	-	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

Notes to the Financial Statements

For the year ended March 31, 2025

₹ In Lakhs

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

As at March 31, 2025	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	16,22,970.93	-	16,22,970.93
Total	**16,22,970.93**	**-**	**16,22,970.93**

As at March 31, 2024	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	28.89	-	28.89
2. Other than related parties	14,00,407.79	-	14,00,407.79
Total	**14,00,436.68**	**-**	**14,00,436.68**

₹ In Lakhs

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at March 31, 2025		As at March 31, 2024	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	**-**	**-**	**-**	**-**

₹ In Lakhs

(8) Other information

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	17,633.90	13,185.78
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	11,914.64	9,386.62
(iii) Assets acquired in satisfaction of debt	-	190.94

Notes to the Financial Statements

For the year ended March 31, 2025

47 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(a) Details of transfer through assignment in respect of loans not in default during the year.

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of loan accounts assigned	17,783 Loans	16,934 loans
Amount of loan accounts assigned	₹ 1,69,178.29 lakh	₹ 1,38,107 lakh
Weighted average maturity	131 months	134 months
Weighted average holding period	9 months	11 months
Retention of beneficial economic interest (MRR)	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	Unrated	Unrated

(b) The Company has not transferred or acquired, any stressed loans during the year.

(c) The Company has not acquired, any loans not in default during the year.

(d) Details of transfer through Co-lending in resepct of loans not in default during the year ended March 31, 2025

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of loan accounts assigned	840 Loans	30 loans
Amount of loan accounts assigned	₹ 12,602.47 lakh	₹ 541.30 lakh
Weighted average maturity	182 months	127 months
Weighted average holding period	2 Months	2 months
Retention of beneficial economic interest (MRR)	20%	20%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	Unrated	Unrated

48 Loans to Directors, Senior Officers and relatives of Directors

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	282.06	270.87

Notes to the Financial Statements

For the year ended March 31, 2025

49 Additional Regulatory Information

49.1 There is no immovable property whose title deeds are not held in the name of the Company in current year and previous year.

49.2 There are no investment property as on March 31, 2025 (P.Y. ₹ Nil)

49.3 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 in current year and previous year.

49.4 The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 in current year and previous year.

49.5 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

As on March 31, 2025

₹ In Lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0.00%
Directors	-	0.00%
KMPs	-	0.00%
Related Parties	-	0.00%

As on March 31, 2024

₹ In Lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0.00%
Directors	-	0.00%
KMPs	-	0.00%
Related Parties	-	0.00%

49.6 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as amended and rules made thereunder in current year and previous year.

49.7 The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets in current year and previous year.

49.8 The Company has not been declared wilful defaulter by any bank or financial Institution or other lender in current year and previous year.

Notes to the Financial Statements

For the year ended March 31, 2025

49.9 The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 in current year and previous year.

49.10 No charges or satisfaction yet to be registered with ROC beyond the statutory period.

49.11 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

49.12 No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

49.13 Utilisation of Borrowed funds and share premium

(a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in current year and previous year to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(b) The Company has not received any fund in current year and previous year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

49.14 There are no transaction or undisclosed income that need to be disclosed in accordance with the provision of Income Tax Act, 1961 in current year and previous year.

49.15 The Company has not traded or invested in Crypto currency or Virtual Currency during current year and previous year.

50 Breach of covenants

The Company has complied with all the material covenants of borrowing facilities throughout the year ended March 31, 2025 and March 31, 2024.

51 There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended March 31, 2025 and March 31, 2024.

52 Previous year figures have been regrouped/ reclassified wherever applicable. The impact, if any, are not material to Financial Statements.

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Tushar Kurani
Partner
Membership No. 118580

For **Borkar & Muzumdar**
Chartered Accountants
Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Nishant Sharma
(Non-executive Promoter Nominee Director)
DIN: 03117012

Sachinderpalsingh Jitendrasingh Bhinder
(Managing Director and CEO)
DIN: 08697657

Ghanshyam Rawat
(President and Chief Financial Officer)

Saurabh Sharma
(Company Secretary and Compliance Officer)
ACS-60350

Place : Mumbai
Date : April 24, 2025

SAPNE AAPKE, SAATH HAMAARA

AAVAS FINANCIERS LIMITED
CIN: L65922RJ2011PLC034297
Registered and Corporate Office: 201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India
Tel: +91 141-4659221
E-mail: investorrelations@aavas.in | Website: www.aavas.in

Notice to Members,

NOTICE is hereby given that the **15th Annual General Meeting** ("AGM") of the Members of Aavas Financiers Limited ("the Company") will be held on **Tuesday, September 16, 2025** at **03:30 P.M.,** Indian Standard Time ("IST") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility to transact the following businesses:

ORDINARY BUSINESSES:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 together with the reports of the Board of Directors and Auditors thereon.

2. TO CONSIDER AND APPROVE REMUNERATION OF JOINT STATUTORY AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2025-26

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("RBI") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company's Policy on Appointment of Statutory Auditors and with reference to the resolution passed by the Members in the 14th Annual General Meeting held on August 07, 2024 for appointment of Statutory Auditors and fixing their remuneration thereon and as recommended by the Audit Committee and the Board of Directors of the Company, M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W) and M/s. Borkar & Muzumdar, Chartered Accountant (FRN: 101569W), who were appointed as Joint Statutory Auditors of the Company for a period of 3 (three) consecutive years (until the conclusion of the 17th AGM of the Company to be held in the calendar year 2027) be paid the remuneration of upto ₹ **1,35,00,000/-** (Rupees One Crore Thirty Five Lakh only) for Limited Review, Statutory Audit, Tax Audit, Certain Regulatory Certifications in addition to any out-of-pocket expenses, applicable taxes, reimbursements, and other outlays as applicable for the Financial Year 2025-26, payable in one or more installments.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary and Compliance Officer and the Audit Committee, be and are hereby severally authorised to decide and finalise the proportion of remuneration of the Joint Statutory Auditors on the basis of allocation of work and to do all other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

SPECIAL BUSINESSES:

3. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. ELCID VERGARA, (DIN: 10769790) AS A NON-EXECUTIVE NOMINEE DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOVLED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provision, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), and other applicable laws, Mr. Elcid Vergara (DIN: 10769790) who was appointed as an Additional Director by the Board of Directors with effect from June 30, 2025,

based on the recommendation of the Nomination and Remuneration Committee of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation, for a term of 5 (five) years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

4. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. ANANT JAIN, (DIN: 06648006) AS A NON-EXECUTIVE NOMINEE DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOVLED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provision, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), and other applicable laws, Mr. Anant Jain (DIN: 06648006) who was appointed as an Additional Director by the Board of Directors with effect from June 30, 2025, based on the recommendation of the Nomination and Remuneration Committee of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation, for a term of 5 (five) years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

5. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. NIKHIL OMPRAKASH GAHROTRA, (DIN: 01277756) AS A NON-EXECUTIVE NOMINEE DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOVLED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provision, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), and other applicable laws, Mr. Nikhil Omprakash Gahrotra, (DIN: 01277756) who was appointed as an Additional Director by the Board of Directors with effect from June 30, 2025, based on the recommendation of the Nomination and Remuneration Committee of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation, for a term of 5 (five) years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

6. TO CONSIDER AND APPROVE THE APPOINTMENT OF MRS. NEHA SUREKA, (DIN: 10759936) AS A NON-EXECUTIVE NOMINEE DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOVLED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provision, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), and other applicable laws, Mrs. Neha Sureka, (DIN: 10759936) who was appointed as an Additional Director by the Board of Directors with effect from June 30, 2025, based on the recommendation of Nomination and Remuneration Committee of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation, for a term of 5 (five) years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

7. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. SIDDHARTH TAPASWIN PATEL, (DIN: 07803802) AS A NON-EXECUTIVE NOMINEE DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOVLED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provision, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015"), and other applicable laws, Mr. Siddharth Tapaswin Patel (DIN: 07803802) who was appointed as an Additional Director by the Board of Directors with effect from June 30, 2025, based on the recommendation of the Nomination and Remuneration Committee of the Company and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, not liable to retire by rotation, for a term of 5 (five) years.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

8. TO CONSIDER AND APPROVE REVISION IN THE REMUNERATION OF MR. SACHINDERPALSINGH JITENDRASINGH BHINDER (DIN: 08697657) MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company at their meeting held on January 30, 2025 and in modification of the relevant resolution passed by the Members at the 13th Annual General Meeting held on July 19, 2023 and pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") and the rules made thereunder, RBI Guidelines on Compensation of Key Managerial Personnel ("KMP") and Senior Management in NBFCs dated April 29, 2022 and other applicable provisions (if any) of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment(s)

thereof for the time being in force) and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, applicable provisions of Articles of Association of the Company, the consent and approval of the Members be and is hereby accorded for revision in fixed remuneration of Mr. Sachinderpalsingh Jitendrasingh Bhinder (DIN: 08697657), Managing Director & Chief Executive Officer of the Company from existing limit of ₹ 2,50,00,000 (Rupees Two Crore Fifty Lakh only) per annum to ₹ 3,75,00,000/- (Rupees Three Crore Seventy Five Lakh only) per annum, for his remaining tenure i.e. till May 02, 2028 as per the details given in the explanatory statement forming part of this notice.

RESOLVED FURTHER THAT save as provided in the explanatory statement forming part of this notice, all other terms and conditions as approved by the Members on July 19, 2023 in the 13th Annual General Meeting of the Company at the time of appointment of Mr. Sachinderpalsingh Jitendrasingh Bhinder (DIN: 08697657), Managing Director & Chief Executive Officer, shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as may be considered necessary, proper or desirable or expedient for the purpose of giving effect to this resolution."

9. TO CONSIDER AND APPROVE THE APPOINTMENT OF M/S. CHANDRASEKARAN ASSOCIATES, PRACTICING COMPANY SECRETARIES, AS SECRETARIAL AUDITORS OF THE COMPANY

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of the Section 204 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with SEBI Circular dated December 31, 2024, FAQs issued by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 on April 23, 2025 and on the basis of recommendation of the Audit Committee and the Board of Directors of the Company, in its meetings held on April 24, 2025, M/s. Chandrasekaran Associates, Practicing Company Secretaries (Firm Registration No: P1988DE002500), be and is hereby appointed as the Secretarial Auditors of the Company for a term of 5 (five) consecutive year i.e. from Financial Year 2025-26 upto Financial Year 2029-30, subject to their continuity of fulfilment of the applicable eligibility norms each year at such professional fees as mentioned in the explanatory statement for Financial Year 2025-26 and re-imbursement of out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors and the Audit Committee be and are hereby authorised to fix and pay the Secretarial Audit Fee including re-imbursement of out of pocket expenses, if any as may be deemed fit for their remaining tenure and to do all such acts, deeds, matters and things and to settle all questions or difficulties that may arise in this regard and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution."

10. TO CONSIDER AND APPROVE THE INCREASE IN THE BORROWING POWERS IN EXCESS OF PAID-UP SHARE CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolution(s) passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the applicable directions/ guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and the relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the 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 "the Board" which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers including the powers conferred by this resolution) to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of business of the Company not exceeding ₹ 32,000/- crore (Rupees Thirty Two Thousand Crore only) (including the money already borrowed by the Company and remaining outstanding) in Indian Rupees or

in any equivalent thereof in foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of charge by way of creating interest, or lien or mortgage or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including stock in trade (receivables), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining outstanding at any given time, exceed the aggregate, for the time being, of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium, provided that the total borrowing limit shall be within the limits prescribed under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money not exceeding ₹ 32,000/- crore (Rupees Thirty Two Thousand Crore only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company and remaining outstanding) on such terms and conditions as the Board may deem fit, by way of Term Loans, Cash Credit facilities or Loans/Financial assistance from various Bank(s), Financial Institution(s) and/or Mutual Fund(s), Non-Resident Indians ("NRIs"), Foreign Institutional Investors ("FIIs") or any other Person(s), Body(ies) Corporate, etc other lender(s), whether Securities holders of the Company or not or issue of Debentures/ Bonds/Commercial Paper/Triparty Repo ("TREPS") or other Securities or instruments.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to arrange or finalize the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may deem fit and to sign and execute all such documents, agreements and writings and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable."

11. TO CONSIDER AND APPROVE THE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013, TO SECURE BORROWINGS MADE/TO BE MADE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolution(s) passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and relevant provisions of the Articles of Association of the Company, and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the 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" which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted to exercise its powers including the powers conferred by this resolution) to create charge by way of mortgage (s) and / or hypothecate and / or lien or otherwise on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, to or in favour of any Bank(s) or Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians ("NRIs"), Foreign Institutional Investors ("FIIs") or Body(ies) Corporate or person(s), whether Securities holders of the Company or not, to secure the borrowing facility availed by way of issue of security or term loan or otherwise together with interest, cost, charges and expenses thereon for amount not exceeding ₹ 32,000/- crore (Rupees Thirty Two Thousand Crore only) at any point of time (including the money already borrowed by the Company and remaining outstanding and in excess of the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium).

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank exclusive/prior/ pari-passu/subsequent with/to the hypothecation/ mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be

considered necessary, desirable or expedient to give effect to this resolution".

12. TO CONSIDER AND APPROVE THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES, IN ONE OR MORE TRANCHES ON PRIVATE PLACEMENT BASIS

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any amendments, statutory modification(s) and/or re-enactment(s) thereof for the time being in force) the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Master circular dated May 22, 2024 (as amended from time to time), Guidelines on Private Placement of Non-Convertible Debentures ("NCDs") prescribed under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and subject to applicable laws, rules and regulations and guidelines, the 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" which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted including the powers conferred by this resolution) for making offers and / or invitations and / or issue and/or allot, in one or more tranches/ series, Listed/Unlisted Non-Convertible Debentures (NCDs), whether secured or unsecured, including but not limited to subordinate debentures, bonds, and/or other debt securities as per section 2(30) of the Act on private placement basis, during the period of 1 (one) year from the date of passing of the Special Resolution by the Members in this Annual General Meeting, for amount not exceeding ₹ 8,500/- crore (Rupees Eight Thousand Five Hundred Crore only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s), including to one or more Company(ies), body(ies) corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so, for onward lending business of the Company and general corporate purposes and on the following terms:

(i) The Board shall have the sole discretion to deal with the unsubscribed portion of the Debenture Issue on such terms and conditions as it may deem fit.

(ii) The Company shall issue the NCDs for deployment of funds for creation of its own assets and not to facilitate the resource requests of the Company.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as approved or may be approved by the Members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts, that may arise in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority."

13. TO APPROVE THE 'AAVAS FINANCIERS LIMITED - EQUITY STOCK OPTION PLAN 2025' ("ESOP -2025")

To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the rules made thereunder, applicable regulations of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, if any), as per the provisions of Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary, and any other Regulations/Guidelines/ Circulars/Notifications prescribed by the Securities and Exchange Board of India, the Reserve Bank of India, the National Housing Bank or any relevant authority, from time to time, to the extent applicable and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, the approval of the Members of the Company be and is hereby accorded to formulate and implement 'Aavas Financiers Limited - Equity Stock Option Plan 2025' ("ESOP-2025"), the salient features of which are detailed

in the Explanatory Statement to this Notice, and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination & Remuneration Committee ("NRC") of the Board, which the Board has constituted to exercise its power including the power conferred by this resolution), be and is hereby authorized to create, offer, grant, issue and allot to the benefit of such person(s), who are eligible employees of the Company (present or future) (as defined in the ESOP-2025) and as may be identified by the Board, from time to time, in one or more tranches, not exceeding 23,74,191 (Twenty Three Lakh Seventy Four Thousand One Hundred Ninety One) options exercisable into not more than 23,74,191 (Twenty Three Lakh Seventy Four Thousand One Hundred Ninety One) equity shares of face value of ₹ 10/- (Rupees Ten only) each fully paid up, under the ESOP-2025 ranking pari-passu with the existing equity shares of the Company on such terms and conditions as may be decided by the Board under ESOP-2025 in accordance with applicable laws.

RESOLVED FURTHER THAT up to 23,74,191 (Twenty Three Lakh Seventy Four Thousand One Hundred Ninety One) options shall be granted, in one or more tranches as may be determined by the Board, which shall entitle the option holder one fully paid-up equity share of face value of ₹10/- of the Company against each option exercised and accordingly, up to 23,74,191 (Twenty Three Lakh Seventy Four Thousand One Hundred Ninety One) equity shares of face value of ₹10/- each shall be allotted to the eligible Employees under the ESOP-2025.

RESOLVED FURTHER THAT upon vesting, each option would be exercised for one Equity Share of the face value of ₹ 10/- each fully paid-up on payment of the requisite exercise price to the Company, provided that in case of any Corporate Action including but not limited to right issue, bonus issue, merger/demerger, change in capital structure or the equity shares are either sub-divided or consolidated, then the outstanding options or number of equity shares to be allotted under the ESOP-2025 and/or the exercise price and/or such other fair and equitable adjustment, as may be required, in the absolute discretion of the Board and as permitted by applicable regulations shall be suitably adjusted to ensure there is no change in the economic value for the option holder and fair and equitable benefits are passed under ESOP-2025, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the ESOP-2025 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB & SE Regulations and other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to devise, formulate, modify, change, vary, alter, amend, suspend or terminate the ESOP-2025, subject to compliance with the applicable laws, rules and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members of the Company and execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to the ESOP-2025 and to do all other things incidental to and ancillary thereof."

By order of the Board of Directors
For Aavas Financiers Limited

Sd/-
Saurabh Sharma
Company Secretary and Compliance Officer
(Membership No.: ACS-60350)

Date: August 18, 2025
Place: Jaipur

Registered and Corporate Office:
201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India
CIN: L65922RJ2011PLC034297
Tel: +91 141-4659221
E-mail: investorrelations@aavas.in
Website: www.aavas.in

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning Special Businesses under Item Nos. 3 to 13 of the accompanying Notice, is annexed hereto. The Board of Directors have considered that the Special businesses under Item Nos. 3 to 13 being considered unavoidable, be transacted at the 15th Annual General Meeting ("AGM") of the Company to be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility.

2. In view of General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 20/2021 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 respectively (Collectively referred as "**MCA Circulars**"), issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 (Collectively referred as "**SEBI Circulars**") issued by the Securities and Exchange Board of India ("SEBI") (MCA Circulars and SEBI Circulars are hereinafter collectively referred to as **"the Circulars"**) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), the Notice of the 15th AGM along with the Annual Report for the Financial Year 2024-25 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories Participant. Additionally in accordance with Regulation 36(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also sending a letter to Shareholders whose e-mail addresses are not registered with Company/Depositories Participant, providing the weblink of Company's website from where the Annual Report for the Financial year 2024-25 can be accessed.

   The 15th AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 15th AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/OAVM facility, the Route Map, proxy form and attendance slip are not annexed to this Notice.

3. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

4. This is to inform that as physical presence of Members has been dispensed with for attending the Meeting through VC/OAVM facility, therefore there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 15th AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the 15th AGM through VC/OAVM Facility and participate there at and cast their votes through e-Voting.

5. Attendance of the Members participating in the 15th AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (LODR) Regulations, 2015 and the circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the 15th AGM. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as voting on the date of the 15th AGM will be provided by NSDL.

7. The manner of voting remotely by Members including the Members who have not registered their e-mail addresses is provided in the instructions for e-Voting section which forms the part of this Notice.

8. Members may please note that the Notice and Annual Report of the 15th AGM will also be available on the website of the Company at www.aavas.in, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL at www.evoting.nsdl.com.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the certificate from Secretarial Auditors of the Company pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection by the

Members during the 15th AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM and during the AGM. Members seeking to inspect such documents can send an e-mail to investorrelations@aavas.in.

10. The Board of Directors of the Company ("the Board") has appointed Mr. Rupesh Agarwal (Membership No. A16302, COP No. 5673), failing him, Mr. Shashikant Tiwari (Membership No. F11919, COP No. 13050), Practicing Company Secretaries, failing him, Mr. Lakhan Gupta (Membership No. F12682, COP No. 26704) Practicing Company Secretaries and Partners of M/s. Chandrasekaran Associates as the Scrutinizer, to scrutinize the remote e-Voting process as well as e-Voting process during the AGM in a fair & transparent manner.

11. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting (i.e. votes cast during the AGM and votes cast through remote e-Voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or any other person authorized by him in writing, who shall countersign the same. The results will be announced within 2 working days or 3 days, whichever is earlier, from the conclusion of the 15th AGM.

12. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.aavas.in and on the website of NSDL at www.evoting.nsdl.com and also shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company's equity shares are listed and be made available on their respective websites. The Company will also display the results at its Registered Office.

13. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting ("SS-2") of ICSI, in respect of the Directors seeking Appointment at the 15th AGM, forms integral part of the Notice of the 15th AGM as **Annexure-1**. Requisite declarations have been received from the Directors for seeking Appointment.

14. Disclosure as required in sub-regulation (5) of Regulation 36 of SEBI (LODR) Regulations, 2015 in respect of the appointment of Secretarial Auditor are forming part of the explanatory statement to the Notice.

15. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication and documents including Annual Reports from time to time in electronic form to the e-mail address provided by the Members. Members may send such communication to their respective Depository Participants (DPs) as per the procedure given later in the Notes.

16. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may contact their respective DPs for recording their Nomination.

17. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts.

18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs.

19. Mitsubishi UFJ Trust & Banking Corporation, a Member of MUFG, a global financial group, has acquired Link Group, parent Company of Link Intime India Private Limited. Accordingly, the name of Registrar and Share Transfer Agent (RTA) of the Company has changed from Link Intime India Private Limited (TSR Consultants Private Limited had merged with Link Intime India Private Limited) to MUFG Intime India Private Limited w.e.f. December 31, 2024.

20. Members are requested to contact MUFG Intime India Private Limited (RTA of the Company) in case of any change of address or queries relating to their shares at the information given below-

    MUFG Intime India Private Limited
    (Formerly Link Intime India Private Limited)
    Address: C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India
    Tel: +91 81081 18484
    Website: www.in.mpms.mufg.com
    Link to register queries- https://web.in.mpms.mufg.com/helpdesk/Service_Request.html

21. MUFG Intime India Private Limited has implemented below investor initiatives as part of their constant endeavor to enhance investor servicing:

    a. 'SWAYAM' is a secure, user-friendly web-based application developed by our RTA, that empowers investors to effortlessly access various services. Investors are requested to get registered on this application which can be accessed at https://swayam.in.mpms.mufg.com/

    b. 'iDIA' is a Chatbot developed by our RTA that utilizes conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about queries. Talk to iDIA by logging in to https://web.in.mpms.mufg.com.

c. FAQs –The FAQ section on the RTA's website has very detailed answers to almost all probable investor queries. Please visit https://in.mpms.mufg.com/ to find answers to your queries related to securities.

22. Members desirous of obtaining any information / clarification relating to the accounts are requested to submit their query in writing to the Company well in advance so as to enable the Management to keep the information ready.

23. Members who would like to express their views/ ask questions as a speaker during the Meeting may pre-register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, PAN, e-mail ID, mobile number at investorrelations@aavas.in till September 09, 2025, before 5:00 P.M. (IST)

    Only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

24. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting options to resolve their grievances with the RTA/ Company directly or through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login and the same can also be accessed through the Company's website at https://www.aavas.in/.

25. No Director of the Company is liable to retire by rotation at the ensuing AGM as per the current composition of the Board of the Company.

26. **Instructions for Members for remote e-Voting, and joining the 15th AGM are as under:**

    a. The remote e-Voting period will commence on Thursday, September 11, 2025 (9:00 A.M. IST) and ends on Monday, September 15, 2025 (5:00 P.M. IST). During this period, Members of the Company, holding shares as on the cut-off date i.e. as on Tuesday, September 09, 2025, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to subsequently change it. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date.

    b. A person who is not a Member as on the cut-off date should treat this Notice of 15th AGM for information purpose only.

    c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 15th AGM and holds shares as on the cut-off date i.e. on Tuesday, September 09, 2025, may obtain the user ID and password by sending a request to e-mail address evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing user ID and password for casting his/her vote. In the case of forgot password, the same can be reset by using "Forgot User Details/ Password?" or "Physical User Reset Password" option available on www.evoting.nsdl.com.

    d. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    e. Institutional Investors (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution/authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to shashikant@cacsindia.com / rupesh@cacsindia.com with a copy marked to evoting@nsdl.com.

    f. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

    In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or send a request at evoting@nsdl.com or contact to Ms. Prajakta Pawle, Executive or Ms. Pallavi Mhatre, Sr. Manager, National Securities Depository Ltd., 301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051, at the designated e-mail ID: evoting@nsdl.com or call at: 022 – 4886 7000 who will also address the grievances connected with

the voting by electronic means. Members may also write to the Company Secretary at the Company's e-mail address investorrelations@aavas.in.

g. The details of the process and manner for remote e-Voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Shareholder holding securities in Demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

- Login method for Individual Shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered e-mail id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible Companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in Demat mode and Shareholders holding securities in physical mode.

How to log in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those Shareholders whose e-mail ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Click On **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take print out of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shashikant@cacsindia.com / rupesh@cacsindia.com / lakhan@cacsindia.com with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd. at evoting@nsdl.com.

27. Process for those Shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this Notice

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to investorrelations@aavas.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@aavas.in. If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual Shareholder holding securities in demat mode**.

3. Alternatively Shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

28. The instructions for Members for e-Voting on the day of the AGM are as under

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members / Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

29. Instructions for Members for attending the AGM through VC/OAVM are as under

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login,

you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at investorrelations@aavas.in. The same will be replied by the Company suitably.

30. Transcript of AGM

The transcript of the AGM shall be made available on the website of the Company at https://www.aavas.in/investor-relations/outcome.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS, 2015

The following statements sets out all material facts relating to the Special Businesses mentioned under Resolution Nos. 3 to 13 of this Notice. Explanation to Ordinary Business mentioned under Resolution No. 2 has been also given on voluntary basis.

ITEM NO. 2

The Members of the Company in the 14th Annual General Meeting held on August 07, 2024, approved the appointment of M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W) and M/s. Borkar & Muzumdar, Chartered Accountant (FRN: 101569W), as Joint Statutory Auditors of the Company for a period of 3 (three) consecutive years to hold office until the conclusion of the 17th Annual General Meeting of the Company (to be held in the calendar year 2027), subject to them continuing to fulfil the applicable eligibility norms.

The Members had approved payment of fees amounting upto ₹ 1,25,00,000 (Rupees One Crore Twenty Five Lakhs Only) towards statutory audit, limited review and certifications (excluding applicable taxes, reimbursements and other outlays) for the Financial Year 2024-25. Now it is proposed to fix remuneration payable to Joint Statutory Auditors for the Financial Year 2025-26.

Based on the recommendation of Audit Committee, the Board of Directors of the Company has approved payment of remuneration to the Joint Statutory Auditors of the Company amounting upto ₹ 1,35,00,000 (Rupees One Crore Thirty Five Lakh only) for Limited Review, Statutory Audit, Tax Audit, Certain Regulatory Certifications in addition to any out-of-pocket expenses, applicable taxes, reimbursements, and other outlays as applicable for the Financial Year 2025-26, and may be paid in one or more instalments.

The remuneration between both firms have been allocated on the basis of work allocation and their respective scope of work for the Financial Year 2025-26 as follows:

- M/s. Borkar & Muzumdar, Chartered Accountants up to ₹ 75,60,000 (Rupees Seventy Five Lakh Sixty Thousand only)
- M/s. M S K A & Associates, Chartered Accountants up to ₹ 59,40,000 (Rupees Fifty Nine Lakh Forty Thousand only)

The fee payable to the Joint Statutory Auditors, as proposed herein is commensurate with the size and operations of the Company, roles and responsibilities of the Joint Statutory Auditors and increased regulatory compliance.

The Board of Directors of the Company recommends the Ordinary Resolution set out at Item No. 2 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in the resolutions set out at Item No. 2, except to the extent of their shareholding in the Company, if any.

ITEM NO. 3 to 7

In terms of Article 16.11(b) of the Articles of Association of the Company, Aquilo House Pte. Ltd., Promoter of the Company has the right to nominate 5 (five) directors to the Board of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on June 30, 2025, considered and recommended to the members the appointment of Mr. Elcid Vergara, Mr. Anant Jain, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Siddharth Tapaswin Patel, as nominated by Aquilo House Pte. Ltd.

In terms of Section 161 of the Companies Act, 2013 ("**Act**") an Additional Director shall hold office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Further in terms of Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), the listed entity shall ensure that approval of Members for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In compliance with the above, approval of the Members is being sought for the appointment of Mr. Elcid Vergara, Mr. Anant Jain, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Siddharth Tapaswin Patel (collectively referred to as "**Directors**") as Non-Executive Non-Independent Directors on the Board. The Company has received a notice under Section 160 of the Act from a Member signifying their candidatures as Directors of the Company.

All the Directors have given their consent to act as Directors of the Company pursuant to Section 152 of Act.

Further, the Company has received a declaration of fit and proper criteria from each of the Directors as prescribed under Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The Company has also received a confirmation from each of the Directors that none of the Directors are disqualified nor debarred from holding the office of director under the Act or pursuant to any order issued by the SEBI or any other authority.

The brief profile and other details as required under Regulation 36 (3) of the SEBI LODR Regulations and Secretarial Standards of ICSI is given as an "Annexure-1" to this Notice.

The Board is of the view that the association of the Directors with the Company will be of great benefit, owing to their rich experience and vast knowledge.

The Board of Directors recommends the Ordinary Resolutions as set out at Item nos. 3 to 7 of this Notice for the approval of Members.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Elcid Vergara, Mr. Anant Jain, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Siddharth Tapaswin Patel and their relatives, are concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO. 8

The Shareholders of the Company had passed an ordinary resolution in the Annual General Meeting on July 19, 2023 ("**AGM**"), approving the appointment of Mr. Bhinder (DIN: 08697657) as Managing Director & Chief Executive Officer ("**CEO**") of the Company for a period of 5 (Five) years, effective from date May 3, 2023 to May 02, 2028 ("**Tenure**") and approved the fixed remuneration up to a maximum of ₹ 1,90,00,000/- (Rupees One Crore Ninety Lakh only) per annum in accordance with applicable provisions of the Companies Act, 2013 ("**Act**") read with Schedule V of the Act, RBI Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions (if any) of the Act, and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) with the liberty to the Board to increase the fixed remuneration during his tenure up to an amount not exceeding ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh only) per annum, provided such increments and/or revision is carried out in accordance with provisions of Section 197, 198 of the Act read with Schedule V to the Act, and other applicable provisions (if any) of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Nomination and Remuneration Committee of the Board ("**NRC**") and the Board of Directors of the Company ("**Board**") are of the view that Mr. Bhinder's continued presence as Managing Director & CEO of the Company has been of value. Mr. Bhinder's key mandate at the Company is to drive inclusive growth, aligned to the vision of the Company. Mr. Bhinder is responsible for overall business strategy, direction for the organization, new initiatives, strategic alliances etc.

Further, keeping in view his fruitful association with the Company, his expertise, qualifications, the NRC recommended to the Board the revision in the remuneration of Mr. Bhinder, subject to necessary approvals.

The details of the proposed revision in the remuneration of Mr. Bhinder (DIN: 08697657), are as under:

I. Fixed Remuneration

Mr. Bhinder, for his remaining tenure i.e. upto May 02, 2028, shall be entitled to a maximum of fixed remuneration of upto ₹ 3,75,00,000/- (Rupees Three Crore Seventy Five Lakh only) per annum **("Fixed Remuneration")** (which is increased from the previously approved limit of ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh only) per annum with the liberty to the Board to fix the annual fixed remuneration payable to Mr. Bhinder and to grant such increments from time to time within the overall limit of Fixed Remuneration in accordance with Section 197 of the Act read with Schedule V to the Act, RBI Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022, Nomination and Remuneration Policy of the Company and other applicable provisions (if any) of the Act, and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

For the purpose of this clause, the term "Fixed Remuneration" shall mean and include: (i) basic salary payable to Mr. Bhinder; (ii) Company's contribution to provident fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; and (iii) Company's contribution to gratuity fund as per provisions of the Payment of Gratuity Act, 1972.

II. Perquisites and Allowances

Mr. Bhinder shall, in addition to the Fixed Remuneration as may be approved by the Board on recommendation of the NRC, be eligible for perquisites and allowances as per the policies of the Company amended from time to time including but not limited to reimbursements against residential accommodation, driver's salary, and other allied ancillary expenses, leave and leave encashment as per the rules of the Company and any insurance premium paid by the Company for and on behalf of Mr. Bhinder, in accordance with Section 197 of the Act.

III. Performance Linked Bonus

In addition to above total Fixed Remuneration and perquisite and allowances, Mr. Bhinder shall also be entitled to performance linked bonus of such amount as may be recommended by the NRC and approved by the Board for each Financial Year or part thereof and which shall not exceed 100% (one hundred percent) of the aggregate of total Fixed Remuneration and perquisites and allowances of such Financial Year after taking into consideration various criteria, including the performance of Mr. Bhinder and the performance of the Company ("**Performance Linked Bonus**").

IV. Employees Stock Options

Mr. Bhinder may be granted stock options by the NRC as per the employee stock option schemes of the Company, the

perquisite value of which upon exercise of vested options shall not form part of the Fixed Remuneration, perquisites and allowances and Performance Linked Bonus.

Total No. of options granted and outstanding as on the date of this Notice is 2,60,749 options.

V. Minimum Remuneration and Other Terms and Conditions

(a) The aggregate of Fixed Remuneration, perquisite and allowances, performance linked bonus and perquisite value of employee stock options, if exercised during the year, shall be within the overall limit of 5% of the net profit for the particular Financial Year.

(b) If, in any Financial Year, the Company has no profits or its profits are inadequate, then the Fixed Remuneration, perquisites and allowances, performance linked bonus and perquisite value of employee stock options, if exercised during the year, payable to Mr. Bhinder shall be paid by the Company in accordance with the provisions of section II of part II of Schedule V of the Act and other applicable provisions (if any) of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) after obtaining requisite approvals from the Shareholders, as may be required.

Following is the current and proposed remuneration structure of Mr. Bhinder:

Particulars	Current Remuneration	Proposed Remuneration
Fixed Remuneration	Upto ₹ 2,50,00,000/-	Upto ₹ 3,75,00,000/-
Variable/ performance bonus	Upto 100 % of total Fixed Remuneration and perquisites and allowances	Upto 100 % of total Fixed Remuneration and perquisites and allowances
Perquisites and Allowances	As per Company policy.	As per Company policy.
ESOPs/PSOPs	As per Schemes & approval of NRC	As per Schemes & approval of NRC

The Members are requested to take note that apart from increase in fixed remuneration, all other terms and conditions as approved by the Members on July 19,2023 in the 13th AGM of the Company at the time of appointment of Mr. Bhinder, shall remain unchanged.

Accordingly, the approval of the Members is sought for the revision in remuneration of Mr. Bhinder till the end of his tenure i.e. upto May 02, 2028.

The agreement between the Company and Mr. Bhinder is available for inspection by the Members in terms of Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Bhinder and his relatives, are concerned or interested, financially or otherwise except to the extent of his shareholding in the Company, in the resolution set out at Item No. 8 of the accompanying Notice.

The brief profile in terms of Secretarial Standard-2 on the General Meetings ("SS-2") has been provided in annexure attached to this Notice.

The Board recommends the resolution for approval by the Members as an ordinary resolution as set out at Item No. 8 of the Notice.

ITEM NO. 9

Pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), the Audit Committee and the Board of Directors at their respective meetings held on April 24, 2025, have approved and recommended the appointment of M/s. Chandrasekaran Associates, Practicing Company Secretaries (FRN: P1988DE002500), as the Secretarial Auditors of the Company on the following terms and conditions:

a) **Term of Appointment**: For a period of 5 (five) consecutive years, w.e.f. Financial Year 2025-26 to Financial Year 2029-30.

b) **Proposed fee**: Fees of upto ₹ 11,00,000/- (Rupees Eleven Lakh only), in addition to applicable taxes and reimbursement of out-of-pocket expenses on actuals, in connection with the Secretarial Audit for Financial Year 2025-26 and for subsequent years of term, at such fee as determined by the Board on recommendation of the Audit Committee.

c) **Basis of Recommendations**: The recommendation is based on the fulfilment of the eligibility criteria and qualification prescribed under the Companies Act, 2013 and rules thereunder and SEBI (LODR) Regulations, 2015. While recommending, the Board of Directors have also considered, various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. M/s. Chandrasekaran Associates found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company.

d) **Credentials**: M/s. Chandrasekaran Associates, Company Secretaries is a firm of Company Secretaries having

professional experience spanning over more than 36 years specializing in Secretarial Audit, Due Diligence, Assurance Audit, Corporate Compliance Management, Representation services and Transaction Advisory Services to the Corporate world on various matters. M/s. Chandrasekaran Associates is a peer reviewed and a well-established firm of Practicing Company Secretaries, registered with the Institute of Company Secretaries of India (ICSI), New Delhi. The firm is led by experienced Partners, all of whom are distinguished professionals in the field of Corporate Governance and compliance.

M/s. Chandrasekaran Associates have confirmed that they are not disqualified to be appointed as Secretarial Auditors of the Company and also confirmed that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India (ICSI) and hold a valid certificate issued by the Peer Review Board of the ICSI.

They have also provided their consent to be appointed as Secretarial Auditors of the Company for a term of 5 (five) consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30.

Accordingly, the consent of the Members is sought for the appointment of M/s. Chandrasekaran Associates as the Secretarial Auditors of the Company. The Board of Directors recommends the resolution for approval by the Members,as an Ordinary Resolution, as set out at Item No. 9 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in the resolutions set out at Item No. 9, except to the extent of their shareholding in the Company, if any.

ITEM NO. 10 & 11

The Board of Directors of the Company **("Board")** envisages requirements of increased funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013 **("the Act")**, the Board can borrow money subject to the condition that the money to be borrowed together with the money already borrowed by the Company and remaining outstanding (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, unless the Members have authorized the Board to borrow the monies up to some higher limits.

Further as per Paragraph 27.2 of Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI Master Directions**") no Housing Finance Company can have its total Borrowing limit in aggregate, in excess of 12 times of its Net Owned Fund (NOF).

The Members of the Company at the 14th AGM held on August 07, 2024, approved and authorized the Board of Directors to borrow from time to time, such amounts as they may deem necessary for the purpose of business of the Company, not exceeding ₹27,000/- crore (Rupees Twenty Seven Thousand Crore only) over and above the paid-up share capital and free reserves of the Company and in terms of provisions of Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create a charge on any of the movable and/or immovable properties and/or the whole or any part of undertaking(s) of the Company to secure its borrowings up to the limits of Section 180(1)(c) of the Act.

Taking into account the increased fund requirements, and considering the consistent growth in business & operations and after assessing existing and future projections of the Company, the Company would be required to borrow funds from time to time by way of Term Loans, Cash Credit facilities or Loans/ Financial assistance or in any other form whatsoever including but not limited to issue of Debentures/ Bonds/Commercial Paper/Triparty Repo("TREPS") or other Securities, hence now, it is proposed to empower and authorize the Board to borrow money from any Bank(s), Financial Institution(s) and/or Mutual Fund(s), Non-Resident Indians ("NRIs"), Foreign Institutional Investors ("FIIs") or any other person(s), Body(ies) Corporate, etc other lender(s), whether Securities holders of the Company or not, in excess of paid up share capital and free reserves and securities premium of the Company from the existing limit of ₹ 27,000/- crore (Rupees Twenty Seven Thousand Crore only) to an amount not exceeding ₹ 32,000/- crore (Rupees Thirty Two Thousand Crore only) (including the money already borrowed by the Company and remaining outstanding) for the lending business purpose and general corporate purpose, provided that the total borrowing limit shall always be within the limits as prescribed under the RBI Master Directions.

The resolution as set out at Item No. 10 of the Notice is placed for your approval by way of Special Resolution of the aforesaid limits of borrowing by the Board up to an amount not exceeding ₹ 32,000/- crore (Rupees Thirty Two Thousand Crore only) or equivalent thereof in any foreign currency (ies) (including the money already borrowed by the Company and remaining outstanding).

The said borrowings by way of Term Loans, Cash Credit facilities or Loans/Financial assistance or issue of securities may be required to be secured by way of charge through lien / hypothecation / mortgage over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the Members of the Company is required by way of an Special Resolution as set out at Item No. 11 of the Notice.

As per Section 180(1)(a) and 180(1)(c) and other applicable provisions of the Act, approval of the Members is being sought by way of passing Special Resolution. Hence, the Board

recommends passing of the enabling Special Resolutions set out at Item No. 10 & 11 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in the resolutions set out at Item No. 10 and 11, except to the extent of their shareholding in the Company, if any.

ITEM NO. 12

Your Company has been issuing Debentures, which may be referred to as one of the option for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, 2013 ("**the Act**"), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation 2021, SEBI Master Circular dated May 22, 2024 (as amended from time to time), Debt Listing Agreement and Guidelines as issued by Reserve Bank of India, National Housing Bank in this regards.

The Members of the Company at the 14th AGM held on August 07, 2024, approved the issuance of listed or unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement basis in terms of applicable rules and regulations for an amount not exceeding ₹ 8,500/- crore (Rupees Eight Thousand Five Hundred Crore only) during a period of 1 (one) year from the date of the said AGM.

Further, the Board of Directors of the Company in its meeting held on April 24, 2025 passed the resolution and recommend to Members to approve the amount of ₹ 8,500/- crore (Rupees Eight Thousand Five Hundred Crore only) in aggregate to be raised by way of issue of listed or unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement for general corporate purposes and for onward lending business of the Company.

Accordingly, the Company, subject to the approval of Members, proposes to issue Non-Convertible Debentures (including bonds, and/or other debt securities) as per Section 2(30) of the Act to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of the Board. The amount to be raised by way of issue of listed/unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement basis shall not exceed ₹ 8,500/- crore (Rupees Eight Thousand Five Hundred Crore only) in aggregate, in one or more series/ tranches on private placement basis. The aforesaid borrowings are within overall borrowing limits authorized by the Members, from time to time. It may be noted that as per Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Section 42 of the Act, allows a Company to pass a Special Resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches.

Therefore, approval of the Members is accordingly sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to enable and authorize the Board (including any Committee of the Board) to issue Non-Convertible Debentures on private placement basis upto ₹ 8,500/- crore (Rupees Eight Thousand Five Hundred Crore only) as stipulated above, in one or more tranches, during the period of 1 (one) year from the date of passing of the Resolution set out at Item No. 12 of this Notice, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board accordingly recommends the Special Resolution as set out at Item No. 12 of the Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO. 13

The Company believes that equity-based compensation schemes/plans are an effective tool to reward the talent working with the Company for delivering long-term sustainable performance and creation of stakeholder value. In order to motivate the employees of the Company, to align their interests with the long-term growth and financial success of the Company, to retain and reward the best available talent, the Company has been granting stock options.

The Company has structured this plan for the benefit of its employees. The purpose of this plan are as under:

a) Drive performance

b) Retention of employees

c) Employee ownership and wealth creation for the employees

d) Share benefits of corporate growth with the employees and

e) Attract Talent

Based on the recommendation of the Nomination and Remuneration Committee **("NRC or Committee")** and the Board of Directors **("Board")** of the Company at their meetings held on August 18, 2025, a proposal for adoption of the 'Aavas Financiers Limited - Equity Stock Option Plan - 2025' **("ESOP-2025")** is being placed before the Members of the Company for approval by way of Special Resolution in terms of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **("SEBI SBEB & SE Regulations").**

Particulars of disclosures as required under Rule 12 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI SBEB & SE Regulations and circulars issued by SEBI are given below:

a) Brief description of the scheme:

The Company aims to introduce ESOP-2025 with a view to promote the culture of employee ownership, to attract, retain talent of the Company and to give opportunity to share benefits of corporate growth with the employees, hence serving the motive of wealth creation for employees. The ESOP-2025 contemplates grant of stock options, as Time Based options and Performance Based options, thereby, acting as a retention tool as well as driving performance of employees.

Every grant of ESOP-2025 shall be followed by vesting. After vesting, the eligible employees earn a right but not an obligation to exercise the vested stock options within the predefined exercise period. The Company shall issue shares upon exercise of vested stock options subject to payment of exercise price and satisfaction of consequential tax obligations.

The NRC of the Company shall act as Compensation Committee for the supervision of scheme and shall administer the scheme under the guidance of the Board. All questions of interpretation of the scheme shall be determined by NRC as per the terms of the scheme.

b) Total number of options to be offered and granted:

Total number of options to be offered and granted shall not exceed 23,74,191 (Twenty Three Lakh Seventy Four Thousand One Hundred Ninety One) options. The maximum number of Shares that may be issued pursuant to Exercise of options granted to the participants under this plan shall not exceed 23,74,191 fully paid shares ('share pool'). The Company reserves the right to increase or reduce such number of shares as it deems fit as per Applicable Laws.

Notwithstanding the foregoing provisions as stated above, shares with respect to which an option is granted under this plan that remain unaccepted, or unexercised at the time of expiration, or are not entitled for vesting or forfeited or lapsed or cancelled shall be added back to the number of options that are pending to be granted. The Company through the Board/Committee may, at their discretion, grant such options within the overall limit determined in accordance with the plan. The quantum of first grant will be upto 65% of the share pool and remaining options will be made in subsequent grants.

In case of corporate action, the Board in accordance with applicable laws shall ensure while taking into consideration the global best practices in this area that adjustment to exercise price, number of options granted, accelerated vesting, etc., shall be appropriately made without prejudice to the interest of the participant. The decision of the Board on whether such action is necessary and the extent of such action by the Board shall be final and binding.

The Board/ Committee may determine the procedure for making fair and reasonable adjustments to the number of options and the terms of the plan in case of corporate actions such as further capitalization, mergers, sale of division and others (so as to ensure the economic value of the benefits granted are not materially altered by either the corporate action, or the adjustment required as a result of the corporate action).

The Board/Committee shall, subject to compliance with applicable laws and the limitations set out in the plan, determine the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Committee:

i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;

ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options.

c) Identification of classes of employees entitled to participate in the scheme:

Following classes of employees are entitled to participate in ESOP-2025:

(i) an employee as designated by the Company, who is exclusively working in India or outside India; or

(ii) a director of the Company, whether a whole-time director or not, including a non- executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company;

(iii) but does not include—

(a) an employee who is a promoter or a person belonging to the promoter group; or

(b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting:

Vesting of options under ESOP 2025, would be subject to compliance with terms and conditions set forth under the plan and continued employment or directorship (as the case may be) with the Company. The minimum vesting period shall be 1 (one) year from the date of grant. Subject to the condition of continuous employment, the vesting schedule for Time-Based options will be as under:

Vesting of Time-Based Options- 30% of the Total Options Granted:

Twenty per cent (20%) of the total Time-Based Options shall vest on the 1st anniversary of the grant date.
Twenty per cent (20%) of the total Time-Based Options shall vest on the 2nd anniversary of the grant date.
Twenty per cent (20%) of the total Time-Based Options shall vest on the 3rd anniversary of the grant date.
Twenty per cent (20%) of the total Time-Based Options shall vest on the 4th anniversary of the grant date.
Twenty per cent (20%) of the total Time-Based Options shall Vest on the 5th anniversary of the grant date.

Vesting of Performance-Based Options- 70% of the Total Options Granted:

The number of Performance-Based Options that shall vest with the participants shall be subject to Company's performance targets as provided in this clause and shall be subject to the condition of continuous employment.

Particulars	Number of Performance-Based options that are 'Eligible for Vesting'	Company Performance Criteria – 'Target PAT'	Number of options that shall Vest
1st Anniversary of Grant Date	20% of the total Performance-Based option	PAT for the Financial Year ("FY") should be equal to or exceeds as provided in the grant letter subject to change at the sole discretion of the Board/Committee based on the audited financial statement for the said FY	Where Actual PAT achieved by the Company based on the audited financial statements is ≤ 95% of the Target PAT, then 0 (i.e. Nil) options that are eligible to vest shall vest with the participants. Where achievement by the Company based on the audited financial statements is > 95% of the Target PAT, 50% vesting at 95% achievement and 100% vesting at 100% achievement with linear interpolation.
2nd Anniversary of Grant Date	20% of the total Performance-Based option	PAT for the FY should be equal to or exceeds as provided in the grant letter subject to change at the sole discretion of the Board/Committee based on the audited financial statement for the said FY	
3rd Anniversary of Grant Date	20% of the total Performance-Based option	PAT for the FY should be equal to or exceeds as provided in the grant letter subject to change at the sole discretion of the Board/Committee based on the audited financial statement for the said FY	
4th Anniversary of Grant Date	20% of the total Performance-Based option	PAT for the FY should be equal to or exceeds as provided in the grant letter subject to change at the sole discretion of the Board/Committee based on the audited financial statement for the said FY	
5th Anniversary of Grant Date	20% of the total Performance-Based option	PAT for the FY should be equal to or exceeds as provided in the grant letter subject to change at the sole discretion of the Board/Committee based on the audited financial statement for the said FY	

Note: Notwithstanding anything contained in above table, where Gross NPA as per the audited financial statements for the respective FY exceed as provided in the grant letter subject to change at the sole discretion of the Board/Committee*, 0 (i.e. Nil) options shall Vest with the participants.*

The Committee may update above Performance-Based-vesting relationship which will be intimated to the grantee from time to time.

e) **Maximum period (subject to regulation 18(1) of SEBI Share Based Employee Benefits and Sweat Equity Regulations, 2021) within which the options shall be vested:**

Vesting of options under this ESOP 2025 would be subject to compliance with terms and conditions set forth under the plan and continued employment or directorship (as the case may be) with the Company.

f) Exercise price:

The exercise price per option for first grant shall be ₹ 1700 per option. The exercise price for any subsequent grants made under the plan shall be the prevailing Market price or Committee has a power to provide suitable variance, as deems fit, subject to a limit of upto 20% on market price at the time of grant. The specific exercise price shall be intimated to the participant in the grant letter at the time of grant.

g) Exercise period and the process of exercise:

The exercise period shall be 5 (Five) years from the date of respective vesting of options. The employee can exercise options at any time after the vesting date either in full or in tranches by making payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the NRC, from time to time. However, no vested option shall be exercisable in its fractional form and each option entitles to apply for and be allotted 1 (one) share each on the payment of the aggregate exercise price during the exercise period, subject to the terms and conditions specified in the letter of grant.

In the event of separation, options will be exercised as defined in the ESOP-2025 in accordance with SEBI SBEB & SE Regulations.

All unexercised options that lapse, shall revert to the ESOP-2025 pool and may be granted at the discretion of the Board/Committee to any other Eligible Employee.

The detailed terms and conditions of Exercise period is mentioned in the ESOP-2025.

h) The appraisal process for determining the eligibility of the employees for the scheme:

The eligible employees will be eligible to participate in the plan subject to such criteria as may be decided by the Board/ Committee at its own discretion, including, but not limited to the date on which the employee joins the Company, grade of the employee, period of service with the Company, criticality or any other criteria, as the NRC may deem fit.

i) Maximum number of options to be offered per employee and in aggregate under the scheme:

The maximum number of Options to be Granted to any Grantee during one year under this Plan will be determined by the Board/ Committee which shall not exceed 1 percent of the total share capital of the Company at the time of the Grant unless an approval from the Shareholders is taken by way of special resolution in a General Meeting.

j) Maximum quantum of benefits to be provided per employee under the scheme:

The maximum quantum of benefits underlying the options issued to an Employee shall be equal to the difference between the option exercise price and the market price of the shares on the exercise date.

k) Whether the scheme is to be implemented and administered directly by the Company or through a trust:

The ESOP-2025 may be implemented and administered directly by the Company, through NRC or through a trust.

l) Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The ESOP-2025 involves both new issue of shares by the Company and secondary acquisition of shares by the trust.

m) The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

The Company may lend monies to the trust on appropriate terms and conditions to acquire the shares either through new issue or secondary acquisition, for the purposes of implementation of this plan, subject to the requirements of Companies Act, 2013 and other applicable laws, as amended from time to time, as may be applicable.

n) Maximum percentage of secondary acquisition that can be made by the trust for the purpose of the scheme:

The trust for the purpose of scheme can make secondary acquisition in a financial year not exceeding two per cent of the paid-up equity capital of the Company as at the end of the previous financial year.

o) A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations:

The Company shall comply with the disclosures and accounting policies prescribed in SEBI (SBEB & SE) Regulations, 2021, Reserve Bank of India and any other authorities as applicable, from time to time.

p) The method which the Company shall use to value its options:

The Company shall use the fair value method for valuation of the options as prescribed under the Indian Accounting Standards and/or any relevant Accounting Standards/ Guidance Note, as may be prescribed by the Institute of Chartered Accountants of India, from time to time or any other regulations, as applicable and notified by appropriate authorities from time to time.

q) Period of lock-in:

The shares allotted/ transferred pursuant to the exercise of the vested Performance-based options under Clause

16 of the plan shall be subject to lock-in specified in Clause 23 of the plan, unless the Board/ Committee decides otherwise.

The shares allotted/ transferred pursuant to the exercise of the vested Performance-based options under Clause 16 of the plan shall remain in lock-in for a period of 18 months from the date of vesting.

On completion of the above, the shares that are subject to lock-in shall be released.

r) Terms & conditions for buyback, if any, of specified securities covered under SEBI regulations:

The Board/NRC in accordance with Applicable Laws may determine the procedure for buy-back of specified securities (as defined under Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018), if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

i. Permissible sources of financing for buy-back;

ii. Any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

iii. Limits upon quantum of specified securities that the Company may buy-back in a financial year.

s) Listing:

Equity Shares allotted pursuant to the exercise of the ESOP-2025 shall be listed on BSE Limited and National Stock Exchange of India Limited.

t) Applicability of Malus and Clawback:

Notwithstanding any clause of the plan, in case of gross negligence, integrity breach, materially inaccurate financial statements due to the result of misconduct including fraud, poor compliance in respect of corporate governance and regulatory matters, etc., by the KMPs and SMP and such other situations as decided by the Board shall invite immediate action of the Board and Malus/ Claw-back shall be triggered for KMPs and SMPs.

Notwithstanding any clause of the plan, the deferred compensation, if any for KMPs and SMPs as approved by the Board, shall be subject to malus/clawback arrangements in accordance with the applicable Law. While setting criteria for the application of malus and clawback, the Company may also specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods.

As the ESOP-2025 would require issue of further equity shares, in terms of Section 62(1)(b) and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 as amended and the SEBI (SBEB & SE) Regulations 2021, approval of the Members of the Company is required by way of passing a Special Resolution.

A draft copy of the ESOP-2025 is available for inspection as per details mentioned in note no. 13 to accompanying this AGM Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way (or may be deemed to be) concerned or interested financially or otherwise, in the resolution set out at Item No. 13 of the notice except to the extent of the stock options which may be granted to them under ESOP-2025 and to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the passing of the resolution set out at Item No. 13 for approval of Members by way of a Special Resolution.

By order of the Board of Directors
For Aavas Financiers Limited

Sd/-
Saurabh Sharma
Company Secretary and Compliance Officer
(Membership No.: ACS-60350)

Date: August 18, 2025
Place: Jaipur

Registered and Corporate Office:
201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India
CIN: L65922RJ2011PLC034297
Tel: +91 141-4659221
E-mail: investorrelations@aavas.in
Website: www.aavas.in

Annexure-1

Details of Directors seeking appointment vide this Notice, pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India (ICSI) and Details of Director whose revision in remuneration is proposed vide this Notice pursuant to Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India (ICSI) are as follows:

Name of Director	Mr. Elcid Vergara	Mr. Anant Jain	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Siddharth Tapaswin Patel	Mr. Sachinderpalsingh Jitendrasingh Bhinder
DIN	10769790	06648006	01277756	10759936	07803802	08697657
Age (in years)	47	43	46	41	48	52
Qualification	Master of Sciences in Economics (London School of Economics and Political Science, 2003) Bachelor of Arts degree in Economics (Harvard University, 2002)	M.B.A from Harvard Business School B.B.A from University of Michigan, Ann Arbor	MBA Finance, (ISB, Hyderabad (Indian School of Business) Bachelor of Engineering (electronics) (VJTI, University of Mumbai)	Bachelors In Engineering-Computer Science (University of Mumbai) Masters in Management Studies (Jamnalal Bajaj Institute of Management Studies)	Master of Arts and Bachelor of Arts from the University of Oxford in the United Kingdom	B.E. Chemical, MBA and MRICS (Member of Royal Institute of Chartered Surveyors).

Name of Director	Mr. Elcid Vergara	Mr. Anant Jain	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Siddharth Tapaswin Patel	Mr. Sachinderpalsingh Jitendrasingh Bhinder
Brief Resume and Experience	Mr. Elcid Vergara is a Senior Managing Director at CVC Asia Pacific (Singapore) Pte. Ltd. He has over 19 years of experience in banking and finance. Elcid is a member of the CVC Southeast Asia team and is based in Bangkok. Prior to joining CVC, he was a vice president at Phatra, a leading investment bank in Thailand where he advised on M&A transactions for more than eight years.	Mr. Anant Jain joined CVC in October 2020 and currently serves as a Managing Director. Anant is a member of the CVC India team and is based in Mumbai. Prior to joining CVC, Anant was a Principal in the deal team of Warburg Pincus India where he worked for 10 years. From 2006 to 2008, he worked for Leonard Green & Partners as a Private Equity Associate. He has 18 years of experience in financial services including 16 years of experience in private equity investment.	Mr. Nikhil Omprakash Gahrotra has over 21 years of financial services experience and 19 years of private equity investment experience including 7 years with Apollo Global Management, a leading global alternate asset manager with >$600 billion in assets under management, most recently as a Partner leading their Financial Investments Group in India, 3 years with BanyanTree Growth Capital, a domestic private equity firm, 5 years with the growth capital team at 3i Group PLC in India and as a founding member of the India office of Q Investments, a U.S.-based hedge fund. He led the first ever private-equity buy-out of a defaulting company, Monnet Ispat & Energy Limited in 2018, under the newly enacted Insolvency and Bankruptcy Code, 2016 and was on the board of JSW Ispat Special Products Ltd (formerly known as Monnet Ispat & Energy) and oversaw the turnaround of the business and its eventual merger with JSW Steel Limited. The transaction helped resolve over $1.5 billion of claims.	Mrs. Neha Sureka is a Principal at CVC Advisers (India) Private Limited. She has over 17 years of experience in consulting and operating roles across various organizations. She has Worked with Aditya Birla Finance Ltd. (Part of Aditya Birla Capital) from Dec 2016 to June 2022.	Mr. Siddharth Tapaswin Patel sits on various committees at CVC, including the Asia Investment Committee, which oversees investments including in the Financial Services Sector. He also led the investment into and sits on the board of OANDA Global Corporation, which is a Financial Services company regulated in the US. He is also an appointed representative licensed with the Monetary Authority of Singapore since 2018. He has over 24 years of experience in Private Equity Investing.	Mr. Bhinder has over 25+ years of experience with leadership roles in P & L Management, Business Development, Partnerships, Strategic Alliances, Compliance & Governance with Kotak Mahindra Bank, ICICI Lombard GIC, Standard Chartered and HDFC Limited. Prior to Aavas, Mr. Bhinder was with Kotak Mahindra Bank Limited, serving as Executive Vice President, where he set up, built, and scaled the Mortgage Book upto ~ ₹ 40,000 Crores AUM across 130 Locations Pan India. He also set up and managed the Mortgage and Retail Asset Cross Sell Business for Kotak Mahindra Bank which included Working Capital (Micro and MSME), Unsecured Business Loans, Personal Loans, Rural Housing, LAS & Credit Cards.

Name of Director	Mr. Elcid Vergara	Mr. Anant Jain	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Siddharth Tapaswin Patel	Mr. Sachinderpalsingh Jitendrasingh Bhinder
Nature of expertise in specific functional areas	Banking, Financial Services, Governance	Private Equity Investment, Financial Services, Governance	Private Equity Investment, Financial Services, Assets & Liability and Risk Management, Governance	Financial Investments consultancy, Information Technology and Digital, Assets & Liability and Risk Management, Governance	Private Equity Investment, Financial Services, Governance	Banking, Financial Services, Insurance, P&L Management, Business Development, Partnerships, Strategic Alliances, Compliance & Governance
Relationships with Directors, Manager and other Key Managerial Personnel inter-se	None	None	None	None	None	None
Directorships held in other Public Limited Companies and Listed Companies	Nil	Cohizon Life Sciences Limited (formerly known as Sajjan India Limited), Public Limited Company	Nil	Cohizon Life Sciences Limited (formerly known as Sajjan India Limited), Public Limited Company	Cohizon Life Sciences Limited (formerly known as Sajjan India Limited), Public Limited Company	Nil
Membership / Chairmanship of Statutory Committees of Board of other Companies excluding Directorship in Private and Section 8 Companies	Nil	Member of Audit committee of Cohizon Life Sciences Limited (formerly known as Sajjan India Limited).	Nil	Nil	Nil	Nil
Equity listed Companies from which he/she resigned in the past three years	None	None	JSW Ispat Special Products Limited	None	HealthCare Global Enterprises Limited	None

Name of Director	Mr. Elcid Vergara	Mr. Anant Jain	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Siddharth Tapaswin Patel	Mr. Sachinderpalsingh Jitendrasingh Bhinder
No. of Equity shares held in the Company including beneficial ownerships	None	None	None	None	None	1,040 Equity Shares
Key terms and conditions of appointment	Appointment as Non-Executive Nominee Director liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 3 read with the explanatory statement thereto.	Appointment as Non-Executive Nominee Director liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 4 read with the explanatory statement thereto.	Appointment as Non-Executive Nominee Director liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 5 read with the explanatory statement thereto.	Appointment as Non-Executive Nominee Director liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 6 read with the explanatory statement thereto.	Appointment as Non-Executive Nominee Director not liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 7 read with the explanatory statement thereto.	-
Remuneration proposed to be paid	Nil	Nil	Nil	Nil	Nil	Refer explanatory statement for details
Remuneration last drawn	Nil	Nil	Nil	Nil	Nil	₹ 332.24 lakhs (fixed and variable)
Date of first appointment on Board	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2025	May 03, 2023
Number of meetings of the Board attended during the Financial Year 2024-25	NA	NA	NA	NA	NA	7 out of 7

Information at a glance

1.	Day, Date and Time of AGM	Tuesday, September 16, 2025 at 03:30 P.M. (IST)
2.	Mode of Conduct	Video Conference (“VC“) or Other Audio Visual Means (“OAVM”)
3.	Link for Participating in the meeting through VC/OAVM	Member can login from 3.00 P.M. (IST) on the date of AGM at https://www.evoting.nsdl.com/ (Please refer e-Voting procedure in Note 27 of Notice)
4.	Contact information for VC or e-Voting related issues	E-mail: evoting@nsdl.com or helpdesk.evoting@cdslindia.com or contact at toll free no. 022–4886-7000 or 1800-21-0911 Members can connect with: Ms. Pallavi Mhatre (Senior Manager- NSDL) at evoting@nsdl.com
5.	Cut-off Date for e-Voting	Tuesday, September 09, 2025
6.	Speaker Shareholder Registration before AGM	Send E-mail at investorrelations@aavas.in till September 09, 2025 (Please mention name, demat account number/folio number, PAN, mobile number in the e-mail sent for registration along with your queries)
7.	EVEN Number	135497
8.	Remote E-Voting start date and time	Date: Thursday, September 11, 2025 Start Time: 9:00 A.M. (IST)
9.	Remote E-Voting end date and time	Date: Monday, September 15, 2025 End Time: 5:00 P.M. (IST)
10.	Name of E-Voting Service Provider	National Security Depository Limited (“NSDL”)
11.	Remote E-Voting website	https://www.evoting.nsdl.com/ https://eservices.nsdl.com/
12.	Name of Registrar & Share Transfer Agent	MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
13.	Registration of Members’ e-mail IDs for the purpose of the receiving Annual report through electronic mode	Please send E-mail at investorrelations@aavas.in (Please refer documents in Note 26 of this AGM Notice, that are required to sent with E-mail)

SAPNE AAPKE, SAATH HAMAARA

AAVAS FINANCIERS LIMITED
CIN No. L65922RJ2011PLC034297

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