

## Annexure-12

## BUSINESS RESPONSIBILITY REPORT 2019-20

## Preface

Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), India's top 1000 listed entities based on market capitalisation on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") are required to submit a Business Responsibility Report ('BRR') along with their Annual Report. In pursuance of its commitment to responsible business, the Company has prepared this Business Responsibility Report. It includes obligations on business to respect the environment, promote the well-being of employees and to respect the interests of all stakeholders.

The Business Responsibility Report of the Company is published on an annual basis in accordance with SEBI LODR Regulations and will be placed on Company's website: [www.aavas.in](http://www.aavas.in).

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L65922RJ2011PLC034297
2. Name of the Company: Aavas Financiers Limited ("Aavas" or "the Company")
3. Registered and Corporate office: 201-202, 2nd Floor, South End Square, Mansarovar Industrial Area, Jaipur - 302 020, Rajasthan, India
4. Website: [www.aavas.in](http://www.aavas.in)
5. E-mail ID: [investorrelations@aavas.in](mailto:investorrelations@aavas.in)
6. Financial year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC code	Description
64910	Housing Finance Activities

8. List three key services that the Company provides (as in the Balance Sheet): The Company's business is providing home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. In addition to home loans, Company offers customers other mortgage loans including loans against property.
9. Total number of locations where business activity is undertaken by the Company:

- (a) Number of International Locations (Provide details of major five): Nil

- (b) Number of National Locations: As on March 31, 2020, the Company has a network of 250 branches present in 10 states/Union Territories in India.

10. Markets served by the Company - local/state/national/international: The Company serves Local/State and National Level markets with focus on rural and semi-urban areas of India.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital: ₹78,32,26,610
2. Total Income: ₹903.09 crore
3. Total Comprehensive Income: ₹249.07 crore
4. Total Spending on Corporate Social Responsibility (CSR): Refer to the Annual Report on CSR Activities annexed to the Directors' Report.
5. List of the activities in which expenditure in 4 above has been incurred: Refer to the Annual Report on CSR Activities annexed to the Directors' Report.

## SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary Company/Companies?

The Company has one wholly owned Subsidiary named as Aavas Finserv Limited ("Aavas Finserv").

2. Do the subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company?

Aavas Finserv has not yet commenced its business operations and hence it is not a part of the BR initiatives undertaken by the Company.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entities with whom the Company does business with, participate in the BR initiatives of the Company. However the Company with its long-term strategy on CSR initiatives had set up "Aavas Foundation" a Public Charitable Trust settled by the Company for the purpose of carrying its CSR Activities.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

Serial number	Particulars	Details
1 (a)	Details of Director/Directors responsible for BR	DIN: 03154532
1	Director Identification Number (DIN)	
2	Name	Mr. Sushil Kumar Agarwal
3	Designation	(Managing Director and CEO)
1 (b)	Details of the BR head	Telephone number : 0141-6618839
1	DIN (if applicable)	
2	Name	Email ID : <a href="mailto:ceo@aavas.in">ceo@aavas.in</a>
3	Designation	
4	Telephone number	
5	E-mail ID	

### 2. Principle-wise (as per NVGs) BR policy/policies

#### a) Details of compliance (reply in Y/N)

Serial number	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for all the principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	All the policies are available to the employees of the Company. Most of the policies are also available on the Company's website: <a href="http://www.aavas.in">www.aavas.in</a>								
7.	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a Grievance Redressal Mechanism related to the Policy/Policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out Independent Audit/ evaluation of the working of this Policy by an Internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*National standards

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not applicable**

**3. Governance related to BR**

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company is assessed on an annual basis.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Report is published annually. The same is available on the website of the Company at URL <https://www.aavas.in/investor-relations/annual-reports>.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?

The Company accords utmost importance to ethical, transparent and accountable conduct by employees and stakeholders. The compliance function of the Company ensures compliance with various regulatory and statutory requirements at all appropriate levels. It updates the Board and management on the status of compliances in a rapidly changing regulatory environment. The Company believes that good governance is more than just a compliance with legal and regulatory requirements. The Company has inter alia adopted the following policies to ensure ethical, transparent and accountable conduct:

- Customer Grievance Policy
- Fair Practice Code
- Code of Conduct for the Board of Directors and the Senior Management Personnel

- Code of Conduct for Employees
- Fit and Proper Criteria for Directors
- Prevention of Insider Trading Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Vishakha Policy against Sexual Harassment as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013
- Vigil Mechanism/Whistleblower Policy
- Policy on Recording of Investor Communications
- Policy on 'Know Your Customer' and 'Anti-Money Laundering Measures'
- Dividend Distribution Policy
- Code of Conduct – Prevention of Insider Trading

The Code of Conduct is communicated to all employees through various media; new joiners are trained in the Code of Conduct. The Company has put in place a Whistle Blower Policy for Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected frauds/violations of the Company's Code of Conduct or insider trading related matters, if any.

The Code of Ethics and Business Policies are applicable to all employees, consultants, representatives and agents.

There was no violation of the Company's Code of Conduct in the Financial Year 2019-20. Further, no case was reported under the Company's Whistle Blower Policy or under the Sexual Harassment Policy during the Financial Year.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

The Company encourages all its stakeholders to freely share their concerns and grievances.

During the year under review no stakeholder complaints were received by the Company.

S. No.	Particulars	Complaints received	Complaints resolved	Pending	Complaint Resolution (%)
1	Customer complaints	166	166	Nil	100
2	Shareholder complaints	Nil	Nil	Nil	N/A
3	Complaints received under Whistler Blower Policy /Vigil mechanism	Nil	Nil	Nil	N/A
4	Complaints relating to sexual harassment	Nil	Nil	Nil	N/A
5	Complaints relating to Discriminatory employment	Nil	Nil	Nil	N/A
6	Complaints relating to Child/forced/ involuntary labour	Nil	Nil	Nil	N/A

## PRINCIPLE 2: TO PROVIDE SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Not applicable as a Housing Finance company is not engaged in a business concerning design of products/ services that could raise social concerns, cause economic risks and/or lead to hazardous possibilities.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company operates in the financial services sector, so this aspect does not relate to the nature of business. However, the Company extensively monitors energy consumption and waste generation as a part of its sustainability roadmap.

The Company procured energy saving 'green' IT equipment and power saving lamps like LEDs installed in branches. The Company installed high-end copier machines in branches to reduce carbon footprint. Paper work at branches and Registered Office was reduced by leveraging technology and digitization. The Company leveraged technology to adopt digital disbursement model helping to reduce turnaround time significantly.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Not applicable.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Not applicable.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable.

## PRINCIPLE 3: TO PROMOTE THE WELL-BEING OF ALL EMPLOYEES

Aavas possesses a culture of employee empowerment that respects individual potential and helps one to achieve it Fully. The Company encourages employees to 'own' their jobs and enhance work-life balance. The Company envisages a healthy work ambience of security, inclusivity and respect. The Company has articulated a strong stance against sexual harassment in the workplace, endeavoring to provide a better workplace for women.

- i. Health and Safety: The World Health Organization declared the Novel Coronavirus disease (COVID-19) a global pandemic on March 11, 2020. There is no vaccine to prevent this disease as of now. Due to this pandemic, Government of India announced a lockdown across the country from March 25, 2020. The following measures were taken by the Company for employee safety:

- (a) The Company proactively framed and implemented a contingency plan by suspending bio-metric attendance and providing a work from home facility to employees.
- (b) To create awareness, training was imparted; advisories were circulated to employees including security and maintenance staff.
- (c) Strict social distancing within branches and office premises was implemented.
- (d) Strict prohibition on the use tobacco and spitting was implemented.
- (e) Large gatherings and group meetings were disallowed
- (f) Facemasks and sanitizers were made available to all employees
- (g) Offices and branches were regularly sanitized.
- (h) Guidelines of the Central and State Governments were adhered to.

- ii. Pure life: The Company ensured that employees stayed healthy and happy. A renowned nutritionist and naturopathist visited the Corporate Office to provide food-related advice. The Company facilitated medical checks of employees and their family members at the corporate office. The Company organized health care programmes comprising cancer awareness programmes, eye check programmes and first-aid training.

The Company replaced plastic water bottles with copper water bottles throughout its branches, head office and customer cells.

- iii. Fitness campaign: The Company encouraged employees to participate in fitness campaigns like Cyclothon – a cycle rally, Masala Bhangra - a fun way to burn some calories and Khelutsav – Annual Sports Event.

- iv. Human resource activities: The Company's HR team organized events like Women's Day celebrations, Treasure Hunt competition, Mango Day, team outings/ get together, inter-department competitions and sport events, among others.

- v. Employee Stock Options: The Company implemented employee stock options to promote employee ownership and attract, retain and motivate employees.

1. Please indicate the total number of Employees:  
4581 employees as on March 31, 2020
2. Please indicate the total number of employees hired on temporary/contractual/casual basis:  
1017 contractual Employees as on March 31, 2020
3. Please indicate the number of permanent women Employees:  
88 Permanent women Employees as on March 31, 2020
4. Please indicate the number of permanent Employees with disabilities:  
Nil

5. Do you have an employee association that is recognized by management?  
Nil
6. What percentage of your permanent employees is a member of this recognised employee association?  
Nil
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

Serial number	Category	Number of complaints filed during the Financial Year	Number of complaints resolved	Pending
1	Child /forced/involuntary labour	Nil	Nil	Nil
2	Sexual harassment	Nil	Nil	Nil
3	Discriminatory employment	Nil	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

Training and Development builds the right mindset and develops appropriate skill sets to ensure that Aavas employees deliver, learn and grow. The Company has a Learning and Organization Development (L&OD) team, which looks after employee skill development.

Gurukul is the learning academy at Aavas that intends to implement a learning road map for new employees. An array of planned and calibrated efforts helps grow the people of Aavas. The Company provides training to cluster heads, branch heads in the field of sales, collection and retention. In FY 2019-20, the Company provided an opportunity window to employees by enrolling them into the Indian Institute of Management (IIM) Program to develop management skills.

Aavas provided training on traffic rules and the importance of wearing helmets to 500 employees. Aavas trained employees in FY 2019-20, including 300 days of offline training. The L&D team provides leadership development interventions to those who manage teams with Company's Lead 1 program. An online training program called FLIP ensured that employees learned while working. The Company started different Management Development Programs with IIMs for management skill development for its employees. Continuous learning and development remained a priority at Aavas.

#### **PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.**

The Company has always believed in aligning business practices with societal expectations. The Company treats each stakeholder around the principles of fairness and justice, irrespective of their caste, creed, religion and gender. The identification of vulnerable stakeholders and the Company's impact on them is of crucial importance in developing long-term value-enhancing strategies. The Company commenced operations in March 2012 with a focus on serving low and middle income, self-employed customers in rural and semi-urban markets, targeting geographies with low credit penetration.

The Company developed relationships through in-person customer contact. Direct contact with customers has helped mitigate underwriting and default risks, making it possible to provide personalized services resulting in increased customer loyalty.

The Company believes that service excellence cannot be achieved in the short-term; the quest for excellence needs to constantly do better. The Company took the following measures to improve customer experience in FY 2019-20:

- i) Adopted a 'customer first' approach
- ii) Created a service lobby at the Head Office for a superior customer experience

- iii) Increased the customer service team and inbound call center (better service and lower call waiting)
- iv) First call resolution;
- v) Training initiatives especially soft skills for employees

Our customer service journey begins by understanding their requirements.

The Company is trusted for the way it manages papers or the confidentiality that the customer needs. The Company is also respected for the way it inculcates financial discipline among loan takers, how it charts the loan-seeker's multi-year financial journey. The Company is also trusted for the way it helps in mainstreaming the customers for the first ever time. It helps in catalyzing the asset creation process of the customers.

The Company selected employees for branches from the respective terrains with local familiarity and the ability to speak the local dialect. It has created a branch décor template that is uplifting enough to send out a message of order, formality and seriousness while at the same time staying friendly without becoming intimidating.

Besides, it has created customer communication protocol which is detailed, lucid, and simple and helps in hand holding the customer through the entire process.

It also links the low value borrowers with government schemes to help them in availing the credit-linked subsidy scheme benefits.

The Company commissioned branches at the district and tehsil levels to be proximate to its customers. The Company made its documentation process designed in a way that it doesn't require income proof from customers coming from the unorganized segment.

**1. Has the company mapped its internal and external stakeholders?**

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company is serving the underserved population in rural and semi-urban parts of India and helping them to convert their dream of owning a home into reality.

The Company's businesses focus is on servicing the key needs of people through financial products. CSR initiatives undertaken by the Company are an extension of its socially

inclusive business model. These are taken up pan-India for meeting the expectations of stakeholders through need-based assessments. Various projects were initiated covering preventive health care, quality education to underprivileged and orphans, awareness campaigns and education on national issues, steps to combat the national disaster or crises like COVID-19, conservation, protection and amelioration of environment, skilling and to improve the quality of life through providing basic safety & security, health & hygiene environments at workplace to the construction workers.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company ensures compliance with all applicable laws pertaining to human rights. At Aavas, all stakeholders, customers and employees are treated with dignity, respect and understanding. The Company is committed to comply with human rights for the benefit of all stakeholders. The Company does not employ forced or child labour and promotes equality among employees.

In an exceptionally difficult COVID-19 period, the Company believed that urgent emergency resources need to be deployed. The Company donated funds to Rajasthan Chief Minister's Relief Fund (CMRF) COVID-19 Mitigation Fund and Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). It provided food to needy people in night shelters and slums; it distributed Personal Protective Equipment, masks, sanitizers and gloves for medical and police personnel working on the frontlines.

In addition, Pursuant to Notification no. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 issued by the Reserve Bank of India (RBI) in respect of COVID-19 – Regulatory Package, the Company has framed and implemented a 'Policy on Deferment of PEMI/EMI (COVID-19)' which gave Company's borrowers an option to defer their EMIs for three months. In this difficult period, the Company continuously engaged with its borrowers for making aware about this option.

**1. Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

The policy of the Company is applicable on the Company as well as on the external stakeholders.

**2. How many Stakeholders complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the Financial Year, the Company had not received any complaint(s) on human right violation. For details of all Stakeholder Complaints, you are requested to refer the response on Principle 1.



## PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

The Company understands that business should utilize natural and man-made resources in a responsible manner, protecting environment sustainability by reducing waste. In this regard, the Company took a number of initiatives.

The financial services business of the Company does not require an intensive consumption of environmental resources. However, the Company is taking necessary steps for energy conservation and environment protection. Environment protection has been a key part of the Company's long-term CSR initiatives.

1. Does the policy related to Principle 6 cover only the Company or extends to the group/joint ventures/suppliers/contractors/NGOs/others.

The policy of the Company is applicable on the Company and external stakeholders.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company is planning to address environmental issues through CSR Initiatives. The CSR Policy of the Company can be accessed at <https://www.aavas.in/csr-policy>.

3. Does the Company identify and assess potential environmental risks?

Yes, the Company assesses the potential environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company has taken various initiatives, including:

- i. Installing LED lights across offices and branches
- ii. Placing posters on lifts to motivate employees to use the stairs
- iii. Switching off major systems at 7 pm to moderate electricity consumption

- iv. Promoting employees to car pool when commuting to the office.
- v. Installing a high-end copier machine in high print volume in branches to reduce carbon footprint
- vi. Disposing waste IT assets in an environment friendly way
- vii. Participating in a tree plantation drive
- viii. Reducing paper work in branches and the registered office by promoting digitization.
- ix. Paperless Board and Committee meetings.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable.

7. Number of show cause/ legal notices received from CPCB/ SPCB which is pending (i.e. not resolved to satisfaction) as on end of financial year.

The Company has not received any notice from CPCB / SPCB.

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

The Company engages with industry bodies and associations to influence public and regulatory policies in a responsible manner and advocates best practices for the benefit of the society at large.

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

The Company is a member of the following associations:

- a) The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- b) PHD Chamber of Commerce and Industry (PHD Chamber)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, among others)

No.

## PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company is a retail, affordable housing finance company, primarily serving low and middle income self-employed customers in semi-urban and rural areas. A majority of the customers have limited access to formal banking credit. The efforts of the Company are aligned to the mission of transforming customers lives and driving a positive change in communities.

Aavas supports inclusive growth and equitable development through CSR. The Company has a detailed CSR policy; CSR activities are monitored by the Board and the CSR Committee. The major CSR programs are being pursued in the areas where it operates. The Company's CSR initiatives focus on education (including livelihood), healthcare and environment. Programs are executed by experienced personals. The areas covered are:

- i. Promoting education
- ii. Preventive healthcare
- iii. Providing food security
- iv. Promotion of sports
- v. Environment protection

The Company provides equal opportunities to employees. It offers equal roles and responsibilities to women employees; various departments are headed by women. The Company formulated stock option plans for employees. Stock options have long been recognised as an effective instrument to align the interest of employees with those of the Company and shareholders, providing an opportunity to employees to generate long-term wealth, enhance a sense of ownership and pave the way for enhanced shareholder value.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company's approach for taking forward such programmes/Initiatives/Projects are given in the CSR Policy (<https://www.aavas.in/csr-policy>). Projects implemented by the Company in FY 2019-20 and Project wise CSR expenditure is given in "Annexure-8" of the Directors' Report. The Company also partners with Government of India to provide home loans to customers from the LIG/ MIG segments under Pradhan Mantri Awas Yojna for implementing Credit Link Subsidy Scheme (CLSS). The

Company has a policy to give priority in sanctioning loans, where female member of the family acts as the Applicant/ Co-Applicant for the loan. This helps promote women's economic and social empowerment.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

The Company is directly involved in implementing CSR projects. The Company engages external NGOs and organisations for the areas in which it lacks expertise but the projects are supervised by in-house teams. The Company has set up Aavas Foundation for implementing such programmes/projects.

3. Have you done any impact assessment of your initiative?

Yes, at periodic intervals, CSR Committee and the Board of Directors are apprised with the progress and updates of the CSR initiatives undertaken as per the guidelines of Schedule VII of the Companies Act, 2013.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Refer "Annexure-8" of the Directors' Report where community development projects are part of CSR Expenditure.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company's CSR programmes are developed by experienced professionals in consultation with the NGOs. The CSR Committee conducts quarterly review of the performance of CSR programmes in the Committee Meeting.

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company has a vision for enriching lives by enabling people to achieve their dream of owning a home, encapsulated in its commitment of 'SAPNE AAPKE, SAATH HAMAARA'. It strives to provide the best and delightful experience to customers. The Company sources customers directly, maintaining on-going relationships. A majority of the customers are borrowers referred to by existing or former customers'; its branches act as a single point of contact.



1. What percentage of Customer complaints/Consumer cases are pending as on the end of Financial Year.

For the Financial Year 2019-20, the Company resolved 100% complaints received.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Company provides Housing Finance, so this does not apply. However, the Company provides transparent information on products through its website with detailed information on products, features, service charges and fees. The Customers also get product information from Notice Board displayed at the branches.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible

advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company has a structured clinical customer survey/ C-Sat process, executed in a two-fold manner, one through 100% customer engagement during on-boarding through a welcome calling process, which is internal, and secondly, an external independent agency survey for C-Sat, an on-going basis conducted quarterly. The external survey is conducted by NFX Digital, a leading survey agency, which surveys the mix of newly on-boarded and vintage customers. The Voice of Customer survey provides insights for improvement and value-creation.

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

**Sushil Kumar Agarwal**  
Managing Director & CEO  
(DIN: 03154532)

Date: May 14, 2020  
Place: Jaipur

**Manas Tandon**  
Promoter Nominee Director  
(DIN: 05254602)

Date: May 14, 2020  
Place: Mumbai