

CORPORATE GOVERNANCE REPORT **2020-21**



REGULATION

LAW

COMPLIANCE

Annexure – 2

REPORT ON CORPORATE GOVERNANCE

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the report on Corporate Governance forming part of the Directors’ Report for the Financial Year 2020-21 is presented below:

Company’s Philosophy on Code of Governance

Corporate Governance at Aavas encompasses the structure, practices and processes adopted in every sphere of the Company’s operations to provide long term value to its Stakeholders through ethical business standards. Your Company strongly believes that the spirit of Corporate Governance stretches beyond statutory assent. It believes in adopting and adhering to the best standards of Corporate Governance. The Company duly acknowledges its fiduciary role and responsibility towards all of its Stakeholders including Shareholders and strives hard to meet their expectations. The Company’s philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all its engagements with the Stakeholders. It understands that best Board practices, transparent disclosures, ethical conduct of business and Shareholders’ empowerment are necessary for creating sustainable Shareholder value.

Corporate Governance is one of the essential pillars for building an efficient and sustainable environment. Your Company follows the best governance practices with highest integrity, transparency and accountability. The Corporate Governance Philosophy of the Company is further strengthened by its adoption of Code of Conduct for the Board Members and Senior Management, the Board process, Code of Conduct for Prevention of Insider Trading in Company’s Securities, Code of Fair Practices and Disclosure. Your Company recognizes that good governance is a continuing exercise and replicates its commitment to pursue highest standards of Corporate Governance.

A good Corporate Governance framework incorporates a system of robust checks and balances between key players; namely, the Board, its Committees, the management, auditors and various other Stakeholders. The role and responsibilities of each entity must be clearly defined, and transparency must be enforced at each level and at all times.

Aavas Financiers Limited (referred as “Aavas” or “Company”) is committed to set the highest standards of Corporate Governance right from its establishment. The Company is also in compliance with Non-Banking Financial Company – Housing

Finance Company (Reserve Bank) Directions, 2021 (hereinafter “RBI Master Directions”) (including erstwhile regulations). The Company’s Corporate Governance philosophy is based on the following key principles:

- Appropriate Governance Structure with defined roles and responsibilities
- Acting in the spirit of law and not just the letter of law
- Board Leadership
- Ethics/Governance Policies
- Audits and internal checks
- Trusteeship
- Fairness and Integrity
- Doing what is right and not what is convenient

Your Company recognizes and embraces the importance of a diverse Board in its success which is enriched with appropriate balance of skills, experience, diversity of perspectives, thereby ensuring effective Board governance. The Board of Directors of your Company is at the core of the Corporate Governance practices. Your Company’s Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information.

Board of Directors (“Board”)

The Board plays crucial role in overseeing how the management serves the short and long-term interests of Shareholders and other Stakeholders. This belief is reflected in Aavas governance practices, under which the Company strives to maintain an effective, informed and independent Board and keep its governance practices under continuous review. The Board represent the interests of the Company’s Stakeholders, oversees and directs the Company’s overall business and affairs, reviews corporate performance, authorizes and monitors strategic investments, has an oversight on regulatory compliances and Corporate Governance matters, and provides the management with guidance and strategic direction. The Board, along with its various Committees, provides leadership and guidance to the Company’s management and directs, supervises and ensures functioning of the Company in the best interest of all the Stakeholders.

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 Corporate Governance principles of your Company have been formulated to ensure that the Board remains informed, independent and diligently engage in the affairs of the Company.

The Directors attend and actively participate in Board Meetings and Meetings of the Committees in which they are Members. The Board's responsibilities include various matters, inter-alia, including:

- a) Overall direction of the Company's business, including projections on capital requirements, budgets, revenue streams, expenses and profitability;
- b) Review of quarterly/annual results and its business segments;
- c) Compliance with various laws and regulations;
- d) Addressing conflicts of interest;
- e) Ensuring fair treatment of borrowers and Employees;
- f) Ensuring information sharing with and disclosures to various Stakeholders, including investors, Employees and regulators;
- g) Developing a corporate culture that recognizes and rewards adherence to ethical standards;

Composition of Board

Your Company's Board consists of values of collaborative spirit, unrelenting dedication, expert thinking and a primary role of trusteeship to protect and enhance Stakeholders' value through strategic supervision. The Board provides direction and exercises appropriate controls.

The Company's Board has an appropriate mix of Independent and Non-Independent Directors as well as Non-Executive and

Executive Directors. The Board comprises of nine Directors, all professionals in their own right who bring in wide range of skills and experience to the Board. Brief profiles of the Directors are set out in the Board profile section of the Annual Report. All the Directors of the Company, except the Managing Director, are Non-Executive Directors. Out of the eight Non-Executive Directors, three are Independent Directors, including two Women Independent Directors. The Chairperson of the Company is a Non-Executive Independent Director and not related to the Managing Director & CEO.

None of the Directors of the Company are related to each other. All Directors are appointed by the Members of the Company. The Members of the Company at 10th AGM held on July 22, 2020 had approved the appointment of Mrs. Soumya Rajan as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years effective from August 29, 2019 till August 28, 2024. None of the Directors of the Company held directorship in more than 7 listed companies. No Independent Director of the Company served as an Independent Director in more than 7 listed companies. Further, none of the Non-Executive Directors is serving as a Whole Time Director / Managing Director in any listed entity or holds independent directorship in more than three listed entities.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (hereinafter referred as "Act") and regulatory requirements including the SEBI LODR Regulations. Further, no Director of the Company is Member in more than 10 Committees across public companies in which he/she is a Director or acting as Chairperson of more than 5 Committees across all listed companies in which he/she is a Director.

The Composition of the Board of the Company as on 31.03.2021 is given below:

Name of Director	Designation and Category	DIN	No. & (%) of Equity shares Held*	Number of other Directorships**	No of Committees***		Qualification/ Experience
					As Member	As Chairperson	
Mr. Sandeep Tandon****	Chairperson-Independent Director (Non- Executive)	00054553	-	10	2	1	Bachelor's and Master's in Electrical Engineering (More than 20 Years)
Mr. Sushil Kumar Agarwal	Managing Director & CEO (Executive)	03154532	27,46,438 (3.50%)	1	1	-	C.A. and C.S. (More than 20 Years)
Mrs. Kalpana Iyer	Director (Independent - Non- Executive)	01874130	7,608 (0.01%)	2	1	1	C.A. (More than 25 Years)

Name of Director	Designation and Category	DIN	No. & (%) of Equity shares Held*	Number of other Directorships**	No of Committees***		Qualification/ Experience
					As Member	As Chairperson	
Mrs. Soumya Rajan#	Director (Independent - Non- Executive)	03579199	-	8	1	-	PG in Mathematics (More than 23 Years)
Mr. Ramchandra Kasargod Kamath##	Nominee Director (Non- Executive)	01715073	68,497 (0.09%)	7	3	-	B.COM. (More than 30 Years)
Mr. Vivek Vig##	Nominee Director (Non- Executive)	01117418	2,88,246 (0.37%)	5	1	-	PG IIM (Bangalore) (More than 30 Years)
Mr. Nishant Sharma##	Promoter Nominee Director (Non- Executive)	03117012	-	7	-	-	Engineer and MBA (More than 14 Years)
Mr. Manas Tandon##	Promoter Nominee Director (Non- Executive)	05254602	-	5	-	-	Engineer and MBA (More than 20 Years)
Mr. Kartikeya Dhruv Kaji##	Promoter Nominee Director (Non- Executive)	07641723	-	4	4	-	MBA (More than 5 Years)

*No Convertible instruments/ securities were issued to Non-Executive Directors as on March 31, 2021.

**Number of Other Directorships includes Directorships held in Public Limited Companies, Private Limited Companies, Section 8 Companies, but excluding foreign Companies.

***For the purpose of considering the Committee Memberships and Chairmanships for a Director, the Audit Committee, and the Stakeholders' Relationship Committee of Public Limited Companies alone have been considered.

****Mr. Sandeep Tandon was appointed as the Chairperson on the Board of the Company w.e.f. July 22, 2020.

#The Members of the Company at 10th AGM held on July 22, 2020 had approved the appointment of Mrs. Soumya Rajan as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years effective from August 29, 2019 till August 28, 2024.

##Mr. Nishant Sharma, Mr. Ramchandra Kasargod Kamath and Mr. Kartikeya Dhruv Kaji 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.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company.

A chart or matrix setting out the skills/expertise/competence of the Board is as below:

Sr. No.	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. Sushil Kumar Agarwal	Mrs. Kalpana Iyer	Mrs. Soumya Rajan	Mr. Ramchandra Kasargod Kamath	Mr. Vivek Vig	Mr. Nishant Sharma	Mr. Manas Tandon	Mr. Kartikeya Dhruv Kaji
	Designation	Independent Director	Managing Director & 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

Sr. No.	Matrix setting out the skills/expertise/competence of the Board	1	2	3	4	5	6	7	8	9
	Gender (Male/Female)	Male	Male	Female	Female	Male	Male	Male	Male	Male
	Age (in years)	52	44	55	51	65	58	42	44	38
	Nationality (Resident/Non Resident)	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident
1	Technical Skills									
	Accounting and Finance		✓	✓	✓	✓	✓	✓	✓	✓
	ALM 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, experience, expertise, diversity and independence.

Directorship of Directors in Other Listed entities as on March 31, 2021

Name of Director	DIN	Name of the Listed entity	Category (Executive or Non-Executive)
Mr. Sandeep Tandon	00054553	-	-
Mr. Sushil Kumar Agarwal	03154532	-	-
Mrs. Kalpana Iyer	01874130	-	-
Mrs. Soumya Rajan	03579199	-	-
Mr. Ramchandra Kasargod Kamath	01715073	Spandana Sphoorty Financial Limited	Non- Executive (Nominee Director)
		Centrum Capital Limited	Non- Executive Director
Mr. Vivek Vig	01117418	-	-
Mr. Nishant Sharma	03117012	-	-
Mr. Manas Tandon	05254602	-	-
Mr. Kartikeya Dhruv Kaji	07641723	Spandana Sphoorty Financial Limited	Non- Executive (Nominee Director)

Board Meetings

The Meetings of the Board are usually held at Jaipur, but to take precautionary measures against COVID-19, Ministry of Corporate Affairs (MCA) has allowed holding Meetings through Video Conferencing. MCA issued circulars to extend the time period for conducting Board Meetings through Video Conference /Other Audio-Visual Means for approving financial statements, Board's report, Prospectus and other restricted agenda items by its circulars dated March 18, 2020, June 23, 2020, September 28, 2020 and December 30, 2020 respectively. MCA as a onetime relaxation, extended the gap between two consecutive meetings of the Board to 180 days instead of 120 days as required in the Act, but your Company standing by its philosophy, complied with the earlier provision and the Board Meetings were scheduled with a gap not exceeding 120 days between any two Meetings for the Financial Year under review. The Board meets at least once in a quarter to inter-alia review the Company's quarterly performance and Financial Results, assess business strategies and their implementation and also discuss policy, compliance and other matters. The Meetings are conducted in compliance with the regulatory

requirements including those prescribed under the Act. In exceptional circumstances, additional Meetings are held, if necessary.

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information and documents are made available to the Board well in advance. The Directors are informed of the items on the Agenda for every Board Meeting along with the notice to enable them to deliberate on each Agenda item and make informed decisions. All statutory and other significant matters, including the minimum information as required to be placed in terms of Schedule II- Part- A of SEBI LODR Regulations and Secretarial Standards under the Act, are placed before the Board. Detailed Agenda notes are also circulated to the Board in advance of the Meetings.

The Board met four (4) times during the Financial Year 2020-21 on May 14, 2020, August 12, 2020, October 29, 2020 and January 21, 2021. The details of the Directors along with their attendance at Board Meetings (during the Financial Year 2020-21) and Annual General Meeting ("AGM") held on Wednesday, July 22, 2020 are as given below:

Name of Directors	Designation & Category	No. of Meetings entitled to attend	No. of Meetings Present	Attendance at the last AGM held on July 22, 2020
Mr. Sandeep Tandon	Chairperson Non-Executive Independent Director	4	4	Yes
Mr. Sushil Kumar Agarwal	Managing Director & CEO (Executive)	4	4	Yes
Mrs. Kalpana Iyer	Non-Executive Independent Director	4	4	Yes
Mrs. Soumya Rajan	Non- Executive Director (Independent Director)	4	4	Yes
Mr. Ramchandra Kasargod Kamath	Non- Executive Nominee Director	4	4	Yes
Mr. Vivek Vig	Non- Executive Nominee Director	4	4	Yes
Mr. Nishant Sharma	Non- Executive (Promoter Nominee Director)	4	4	Yes
Mr. Manas Tandon	Non- Executive (Promoter Nominee Director)	4	4	Yes
Mr. Kartikeya Dhruv Kaji	Non- Executive (Promoter Nominee Director)	4	4	Yes

Independent Directors

Independent Director acts as a guide, coach, and mentor to the Company. The role of an Independent Director includes improving corporate credibility and governance standards and helping in managing risk. They provide independent oversight in the Company. Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the fields of finance, housing, accountancy, law and public policy. This wide knowledge of both, their field of expertise and Boardroom practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

All the Committees which require Independent Directors in the composition have Independent Directors as specified in terms of the SEBI LODR Regulations, the Act and the RBI Master Directions. These Committees function within the defined terms of reference in accordance with the Act, the SEBI LODR Regulations, RBI Master Directions and as approved by the Board, from time to time.

The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) & 25 of the SEBI LODR Regulations and Section 149(6) of the Act and are independent from the management of the Company. All Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR Regulations. All the Independent

Directors of the Company are registered in Independent Director's databank maintained by Indian Institute of Corporate Affairs (IICA). Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of appointment of Independent Directors are available on the Company's website at <https://www.aavas.in/terms-and-conditions>.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Independent Directors has resigned before the expiry of their respective tenures during the Financial Year 2020-21.

Fit & Proper Criteria

The Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the Directions issued by the RBI.

Familiarization Programmes for the Independent Directors

The familiarization programme aims to provide Independent Directors with the socio-economic environment, in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments so as to enable them to take well-informed decisions in a timely manner.

The familiarization programme also seeks to update the Independent Directors on the roles, responsibilities, rights and duties under the SEBI LODR Regulations, the Act and other relevant legislations. All the Board Members of the Company are extended every opportunity to familiarize themselves with the Company, its products & services, its operations, various applicable regulatory laws & regulations including updates thereon and the overall socio-economic regime of the industry in which the Company operates. The familiarization programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs which help in bringing forth the best practices into the organization and taking informed decision(s) at the Board Level.

The details of the familiarization programme imparted to the Independent Directors of the Company are available on the Company's website at <https://www.aavas.in/familiarization-programme>.

Selection and Appointment of Directors

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, National Housing Bank, SEBI LODR Regulations and as per the Policy on Nominations & Remuneration for Directors,

Key Managerial Personnel (KMP), Senior Management and other Employees.

COMMITTEES OF THE BOARD

The Board has constituted a set of Committees comprising of Directors of the Company and expert senior management personnel as its Members. The Committees allow Board to divide the work of the Board into manageable sections and take informed decisions in the best interest of the Company. These Board Committees have specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. These Board Committees operate as empowered agents of the Board as per their terms of reference.

During the Financial Year under review, your Company conducted all its Committee Meetings through Video Conferencing, following all norms and rules applicable for such type of Meetings. MCA has allowed companies to use the mode of video conferencing to hold Meetings to reduce the risk of Covid -19 Pandemic.

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to the respective Committees of the Board set up for the purpose. These specialist Committees prepare the groundwork for decision-making and provide updates at the subsequent Board Meeting.

The various Committees constituted by the Board are as below:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility (CSR) Committee
5. Risk Management Committee
6. Asset Liability Management Committee (ALCO)
7. IT Strategy Committee
8. Executive Committee
9. Customer Service & Grievance Redressal (CS&GR) Committee

All the recommendations of the various Committees were accepted by the Board during the Financial Year.

Audit Committee

The Audit Committee has been constituted by the Company in terms of provisions of Section 177 of the Act and Regulation 18 read with Part D of Schedule II of SEBI LODR Regulations and is chaired by an Independent Director.

At present, the Audit Committee comprises of four (4) Directors as its Members, out of them three are Independent Directors,

all of them being Non-Executive Directors. The composition of the Committee is in adherence to provisions of the Act, SEBI LODR Regulations and the RBI Master Directions. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee.

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

The functions of the Audit Committee:

The Board has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and functioning of the Committee. In adherence to the provisions of the Act, SEBI LODR Regulations and all other applicable regulatory requirements, the terms of reference of the Audit Committee are covered by its charter. Its functioning inter-alia broadly includes the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any Employee;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee 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. qualifications 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 or rights issue, 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 Directors of our Company or specified / provided under the Act or by the SEBI LODR Regulations 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;
23. statement of deviations in terms of the SEBI LODR Regulations:
 - 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; 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.
24. Any other power as may be given under SEBI Regulations or the Act or other regulations.

During the Financial Year 2020-21, four (4) Audit Committee Meetings were held on May 14, 2020, August 12, 2020, October 29, 2020 and January 21, 2021. The required quorum was present at all the above Meetings.

The Composition of the Audit Committee and the details of attendance of the Members at the Meetings held during the Financial Year under review are as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mrs. Kalpana Iyer	Member & Chairperson	4
Mr. Sandeep Tandon	Member	4
Mrs. Soumya Rajan*	Member	1
Mr. Ramchandra Kasargod Kamath*	Member	1
Mr. Manas Tandon**	Member	3

*Became Member w.e.f. October 29, 2020.

**Ceased to be Member from October 29, 2020.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted by the Company in terms of the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations and is chaired by an Independent Director.

At present, the Nomination and Remuneration Committee comprises of four (4) Directors as its Members, all of them being Non-Executive Directors and fifty percent being Independent Directors. The composition of the Committee is in adherence to the provisions of the Act and SEBI LODR Regulations. The Company Secretary of the Company acts as Secretary to the Committee.

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. In adherence to the provisions of the Act and SEBI LODR Regulations, the terms of reference of Nomination and Remuneration Committee are covered by its Charter and its functioning inter- alia includes the following:

The terms of reference of the Nomination and Remuneration Committee are as follows:

The Nomination and Remuneration Committee is responsible for, among other things, as may be required by the Stock Exchanges from time to time, 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. formulation of criteria for evaluation of performance of Independent Directors and the Board, and determining whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

The Nomination and Remuneration Committee, while formulating the above policy, also ensure that -

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. recommend to the Board, all remuneration, in whatever form, payable to senior management;
 4. devising a policy on Board diversity;
 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. 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) Regulations, 2014, 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.
7. framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable laws 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 to by the Nomination and Remuneration Committee.

During the Financial Year 2020-21, two (2) Nomination & Remuneration Committee Meetings were held on May 13, 2020, and October 28, 2020. The required quorum was present at all the above Meetings.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mrs. Soumya Rajan*	Member & Chairperson	-
Mr. Sandeep Tandon	Member	2
Mr. Manas Tandon	Member	2
Mr. Nishant Sharma	Member	2
Mrs. Kalpana Iyer**	Member	2

*Became Member and Designated as Chairperson w.e.f. October 29, 2020.

**Ceased to be Member from October 29, 2020.

Performance Evaluation of Directors

Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non-Independent Directors was done in accordance with the relevant provisions of the Act read with relevant rules made thereunder and SEBI LODR Regulations and in compliance of guidance note issued by SEBI under Circular no. SEBI/HO/CFD/ CMD/CIR/P/2017/004 dated January 05, 2017.

With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and its Committees and each Director.

The evaluation of the performance of the Board is based on the approved criteria such as the Board composition, strategic planning, role of the Chairperson, Independence from the

entity and independent views and judgement, knowledge and participation, Non-Executive Directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the Board and adherence to compliance and other regulatory issues.

The manner in which formal annual evaluation of the Board, its Committees and individual Directors are conducted includes:

- The Independent Directors, at their separate Meeting review the performance of Non-Independent Directors, the Board as a whole and Chairperson.
- In light of the criteria prescribed for the evaluation, the Board analyses its own performance, that of its Committees and each Director during the year and suggests changes or improvements, if required.
- The performance evaluation of Independent Directors of the Company is carried out by the Board of the Company excluding the Director being evaluated.

The Board has expressed their satisfaction with the evaluation process.

Policy on Nominations & Remuneration for Directors, KMP, Senior Management and Other Employees

The Company has a duly formulated Policy on Nominations & Remuneration for Directors, KMP, Senior Management and Other Employees (“Remuneration Policy”) as per the provisions of the Act read with applicable Rules and Regulations under the Act and SEBI LODR Regulations which, 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 other Employees and the process of their evaluation. The Remuneration Policy is placed on the website of the Company. The remuneration paid to the Directors is in line with the Remuneration Policy of the Company. The Remuneration Policy can be accessed at the website of the Company at www.aavas.in/remuneration-policy.

Remuneration to Directors

Non-Executive Directors: The remuneration of Non-Executive Directors consists of sitting fees and commission. The payment of the commission to the Non-Executive Directors is based on the performance of the Company. The commission payable to the Non-Executive Directors is approved by the Board and is within the overall limits as approved by the Shareholders of the Company. No other payment is made to the Non-Executive Directors. The amount paid to the Independent Directors by way of sitting fees are within the limits prescribed under the provisions of the Act

Sitting fees paid to Non-Executive Directors for attending each Meeting of the Board & Committee are ₹50,000 and ₹25,000, respectively. During the Financial Year under review, the Board approved the equal remuneration for all the Non-Executive Directors as a profit linked commission and no sitting fees will be paid. None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company apart from receiving sitting fees and profit related commission.

Details of the total sitting fees and commission paid to each Non-Executive Director during Financial Year 2020-21 is set out in the following table:

(In ₹)			
Name of the Director	Sitting fees Paid*	Commission	Total
Mr. Sandeep Tandon	2,25,000	14,75,000	17,00,000
Mrs. Kalpana Iyer	2,00,000	15,00,000	17,00,000
Mrs. Soumya Rajan	1,00,000	34,00,000**	35,00,000
Mr. Ramchandra Kasargod Kamath	1,00,000	23,00,000	24,00,000
Mr. Vivek Vig	1,00,000	16,00,000	17,00,000
Mr. Nishant Sharma***	-	-	-
Mr. Manas Tandon***	-	-	-
Mr. Kartikeya Dhruv Kaji***	-	-	-

*Sitting Fees was paid only for Q1 and Q2 of FY 2020-21.

** Including commission of ₹11,00,000 for Q3 and Q4 of FY 2019-20 paid to Mrs. Soumya Rajan in FY 2020-21.

***Mr. Nishant Sharma, Mr. Manas Tandon and Mr. Kartikeya Dhruv Kaji being Promoter Nominee Directors have not received any remuneration/ sitting fees/ commission from the Company.

Note: The service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Directors

Executive Director:

Mr. Sushil Kumar Agarwal-Managing Director & CEO of the Company is the only Executive Director in the Company. His remuneration package comprises of salary, perquisites 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 the Mr. Sushil Kumar Agarwal for the year ended March 31, 2021 are as follows:

Sl. No.	Particulars of Remuneration	Amount (₹ in lakh)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	199.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
5.	Others, please specify**	-
	Total	199.40

**Mr. Sushil Kumar Agarwal is not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered between him and the Company.

Stakeholders Relationship Committee (SRC)

The Board constituted the Stakeholders Relationship Committee at their Meeting held on June 08, 2018 in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations.

At present, the Stakeholders Relationship Committee comprises of four (4) Directors as its Members and is chaired by Mr. Sandeep Tandon- Independent Director. The composition of the Committee is in adherence to the provisions of the Act and SEBI LODR Regulations. Mr. Sharad Pathak, Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

The Company has constituted the Stakeholders Relationship Committee for resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report.

The terms of reference of the Stakeholders Relationship

During the period under review, four (4) Stakeholders Relationship Committee Meetings were held on May 11, 2020, August 05, 2020, October 28, 2020 and January 20, 2021.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Sandeep Tandon	Member & Chairperson	4
Mr. Sushil Kumar Agarwal	Member	4
Mr. Vivek Vig*	Member	1
Mr. Kartikeya Dhruv Kaji*	Member	1
Mr. Nishant Sharma**	Member	3
Mr. Manas Tandon**	Member	3

*Became Member w.e.f. October 29, 2020.

**Ceased to be Member from October 29, 2020.

Details of Investor Complaints

All shares and debentures of the Company are in dematerialized form. Link Intime India Private Limited has been appointed and acting as the Registrar and Share Transfer Agent of the Company for carrying out shares and debentures transfer and other ancillary work related thereto. Link Intime India Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

During the period under review, no complaints were received by the Registrar and Share Transfer Agent:

Sl. No.	Nature of Complaints	Number of Complaints received during the period	Number of Complaints disposed off during the period	Number of Complaints remained unresolved
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	-	-	-
	Total	Nil	Nil	Nil

During the period under review, no complaints were received by the Company from the Non-Convertible Debenture Holders and Shareholders.

Corporate Social Responsibility (CSR) Committee

The CSR Committee was formed as per Section 135 of the Act with the following terms of reference:

1. To formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as 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.

The Committee met two (2) times i.e. on May 11, 2020 and October 28, 2020 during the Financial Year ended March 31, 2021. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Kartikeya Dhruv Kaji*	Member & Chairperson	-
Mrs. Kalpana Iyer	Member	2
Mr. Sushil Kumar Agarwal	Member	2
Mr. Vivek Vig**	Member	-
Mr. Nishant Sharma***	Member	2

*Became Member and Designated as Chairperson w.e.f. October 29, 2020.

**Became Member w.e.f. October 29, 2020.

***Ceased to be Member from October 29, 2020.

Risk Management Committee

The Company has formed Risk Management Committee of the Board for assisting the Board to establish a risk culture and risk governance framework in the organization. The Committee was formed to supervise, guide, review and identify current and emerging risks; develop risk assessment and measurement systems; establish policies, practices and other control mechanisms to manage risks; develop risk tolerance limits for Senior Management and Board approval; monitor positions against approved risk tolerance limits; and report results of

risk monitoring to Senior Management and the Board.

The terms of reference are in accordance with the Act, SEBI LODR Regulations and the provisions of the RBI Master Directions.

The terms of reference of the Risk Management Committee inter-alia include the following:

1. reviewing and approving various credit proposals in terms of credit and risk management policies approved by the Board;

2. supervising, guiding, reviewing and identifying current and emerging risks;
3. developing risk assessment and measurement systems;
4. establishing policies, practices and other control mechanism to manage risks;
5. 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;
6. reporting results of risk and credit monitoring to senior management and the Board; and
7. reviewing and identifying risk in the area of cyber security and Management.

During the period under review, four (4) Risk Management Committee Meetings were held on May 13, 2020, August 05, 2020, October 28, 2020 and January 20, 2021. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Manas Tandon	Member & Chairperson	4
Mr. Sushil Kumar Agarwal	Member	4
Mr. Ramchandra Kasargod Kamath*	Member	1
Mr. Nishant Sharma**	Member	3

*Became Member w.e.f. October 29, 2020

**Ceased to be Member from October 29, 2020

Asset Liability Management Committee (ALCO)

The ALCO comprises of five (5) Members as on March 31, 2021, The Committee is responsible for keeping a watch on the asset liability gaps, if any. ALCO lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them.

The scope of the ALCO is:

1. Liquidity risk management,
2. Management of market risks and
3. Funding and capital resource planning to review the effectiveness of the Asset Liability Management control.

During the period under review, five (5) ALCO Meetings were held on May 13, 2020, August 05, 2020, October 28, 2020, January 20, 2021 and February 17, 2021. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Sushil Kumar Agarwal	Member & Chairperson	5
Mr. Ghanshyam Rawat	Member	5
Mr. Nishant Sharma	Member	5
Mr. Ashutosh Atre	Member	5
Mr. Vivek Vig*	Member	2
Mr. Manas Tandon**	Member	3

*Became Member w.e.f. October 29, 2020.

**Ceased to be Member from October 29, 2020.

IT Strategy Committee

The IT Strategy Committee comprises of three (3) Members as on March 31, 2021. The Committee follows the guidelines prescribed in RBI Master Directions.

The terms of reference of the 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 and
7. Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.

During the period under review, two (2) Meetings of IT Strategy Committee were held on May 13, 2020 and November 05, 2020. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Sandeep Tandon	Member & Chairperson	2
Mr. Sushil Kumar Agarwal	Member	2
Ms. Jijy Oommen*	Member	-
Mr. Rajeev Sinha**	Member	1

*Became Member w.e.f. April 29, 2021.

**Became Member w.e.f. October 29, 2020 and ceased to be Member from April 29, 2021.

Executive Committee

The Board has constituted the Executive Committee consisting of four (4) Members i.e. Mr. Sushil Kumar Agarwal (Member & Chairperson), Mr. Nishant Sharma (Member), Mr. Manas Tandon (Member) and Mr. Ghanshyam Rawat (Member). The Committee approves loans, borrowings, and investments within the limits as specified by the Board, from time to time. Besides, the Committee reviews the conduct of business and operations, considers new products and parameters and suggests business reorientation.

The functions of the Executive Committee are:

- Approving loans, borrowings, and investments within limits specified by the Board;
- Reviewing the conduct of business and operations, considering new products and parameters and suggesting business reorientation.

During the period under review, 30 (Thirty) Executive Committee Meetings were held on, April 29, 2020, May 08, 2020, May 18, 2020, May 20, 2020, May 27, 2020, June 17, 2020, June 19, 2020, June 22, 2020, July 20, 2020, July 23, 2020, July 28, 2020, August 10, 2020, August 14, 2020, September 22, 2020, October 10, 2020, October 17, 2020, October 20, 2020, December 04, 2020, December 11, 2020, December 15, 2020, December 19, 2020, December 25, 2020, December 30, 2020, January 23, 2021, February 03, 2021, February 17, 2021, February 25, 2021, March 01, 2021, March 06, 2021 and March 26, 2021. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

Mr. Sushil Kumar Agarwal and Mr. Ghanshyam Rawat attended all the Meetings held. further Mr. Nishant Sharma and Mr. Manas Tandon attended 7 Meetings each due to COVID-19 related restrictions.

Customer Service & Grievance Redressal (CS&GR) Committee

The Committee was formed by the Board mainly for protecting the interest of customers of the Company. It ensures constant evaluation of the feedback on quality of Customer Services & Redressal provided to the customers, considering unresolved complaints / grievance referred to it by Functional Heads.

During the period under review, 4 (Four) CS&GR Committee Meetings were held on May 15, 2020, August 13, 2020, October 07, 2020 and January 07, 2021. The required quorum was present at all the above Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The Composition of the Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Members	Position in Committee	No. of Meetings Attended
Mr. Sushil Kumar Agarwal	Member & Chairperson	4
Mr. Ghanshyam Rawat	Member	4
Mr. Rajeev Sinha	Member	4
Mr. Surendra Kumar Sihag*	Member	-

*Became Member w.e.f. October 29, 2020.

Leave of absence was granted to Members who could not attend the respective Meetings.

Meeting of Independent Directors

The Independent Directors of the Company meet without the presence of any Non-Independent Directors and management personnel inter-alia to consider the following:

- Review of performance of Non-Independent Directors.
- Review of performance of Board as a whole.
- Review of Performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors excluding the chairperson being evaluated.
- Review 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 its duties.

The Meeting of the Independent Directors for the above purpose was held on October 16, 2020 and all the Independent Directors were present in the said Meeting.

Employee Stock Option Scheme

The disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, has been mentioned in the Director's Report.

POLICIES AND CODES

In terms of the RBI Master Directions, circulars / regulations / guidelines issued by SEBI including SEBI LODR Regulations, provisions of the Act, various other laws applicable to the Company and as a part of good corporate governance and also to ensure strong internal controls, the Board has adopted several codes / policies / guidelines and has also reviewed the same from time to time, which among others include the following:

a. Internal Guidelines on Corporate Governance

Your Company has a duly formulated Internal Guidelines on Corporate Governance in accordance with RBI Master Directions, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance practices of the Company.

The said Policy is available on the website of the Company at the <https://www.aavas.in/internal-guidelines-on-corporate-governance>

b. Policy on Know Your Customer ("KYC") Norms and Anti Money Laundering ("AML") Measures ("KYC & AML Policy")

In terms of the circular(s) and direction(s) on KYC norms and AML measures issued by the RBI, the Prevention of Money Laundering Act, 2002 and Rules made thereunder, the Board adopted a 'KYC & AML Policy' which inter-alia incorporates your Company's approach towards KYC norms, AML measures and combating of financing of terrorism ("CFT") related issues.

The KYC & AML Policy provides a comprehensive and dynamic framework and measures to be taken in regard to KYC, AML and CFT. The primary objective of the Policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.

c. Policy on Materiality of related party transactions and on dealing with related party transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations during the Financial Year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act.

There were no materially significant transactions with related parties during the Financial Year which conflicted with the interest of the Company. Suitable disclosures as required by the applicable Accounting Standards have been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The Policy on Materiality of related party transactions and on dealing with related party transactions is available on the website of the Company at <https://www.aavas.in/policy-on-transactions-with-related-parties>.

Further, the Company submits the disclosures of related party transactions every half year on a consolidated basis to the stock exchange and on its website.

Further as per the RBI Master Directions, Policy on Materiality of related party transactions and on dealing with related party transactions is also made part of this Annual Report as **Annexure-9** to Directors' Report.

During the period under review, there was no transaction with any person or entity belonging to the Promoter / Promoter Group which hold(s) 10% or more shareholding.

d. Code of Conduct for the Board and the Senior Management Personnel

In terms of the SEBI LODR Regulations and as an initiative towards setting out a good Corporate Governance structure within the organization, the Board adopted a comprehensive 'Code of Conduct for the Board and the Senior Management Personnel' which is applicable to all the Directors, including Non-Executive and Independent Directors and Senior Management Personnel of the Company to the extent of their role and responsibilities in the Company. The Code provides guidance to the Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations.

In accordance with Part D of Schedule V of the SEBI LODR Regulations, declaration from Managing Director & CEO of the Company has been received confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the Financial Year ended March 31, 2021 attached as "Annexure A" with this Report. The said code is hosted on the website of the Company under the web link: <https://www.aavas.in/code-of-conduct>.

e. Policy for Determining Material Subsidiaries

In terms of the provisions of the SEBI LODR Regulations, the Board adopted a 'Policy for Determining Material Subsidiaries' which inter-alia sets out parameters for identifying a subsidiary as a "Material Subsidiary". The Policy for Determining Material Subsidiary is available on the website of the Company at <https://www.aavas.in/policy-for-determining-material-subsidiaries>. The Company however does not have any Material Subsidiary as at March 31, 2021.

Further, during the period under review there were no significant transactions and arrangements entered into by the subsidiary.

f. Information Technology related Policies

RBI Master Directions have prescribed Information Technology Framework applicable on your Company with a view to enhance the safety, security, efficiency in processes relating to use of Information Technology framework within the Company. The Board in compliance with the same, adopted various policies pertaining to Information Technology (IT) risk management, resource management and performance management which inter-alia include the 'IT Governance Policy', 'IT Management Policy', 'IT Infrastructure Management Policy', 'IT Operations Policy' and 'Information Systems (IS) Audit Policy'.

g. Policy on "Valuation of Properties and Empanelment of Valuers"

In terms of the RBI Master Directions your Company is required to frame a system /procedure /policy on valuation of properties and appointment of valuers.

In reference to the above, the Board adopted the Policy on Valuation of Properties and Empanelment of Valuers.

h. Whistle Blower Policy / Vigil Mechanism

Your Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all Directors and Employees to raise concerns about any wrongful conduct. The Board has, in compliance with the provisions of the Act and SEBI LODR Regulations, approved the Vigil Mechanism/Whistle Blower Policy of the Company which provides a framework to promote responsible and secure whistle blowing. It protects the Directors/Employees wishing to raise a concern about serious irregularities within the Company. It provides for a Vigil Mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the Vigil Mechanism. No personnel have been denied access to the Chairperson of the Audit Committee. The Policy is placed on the website of the Company and can be accessed at www.aavas.in/vigil-mechanism-policy.

i. Policy for Determination of Materiality of Events and Information

In terms of the provisions of the SEBI LODR Regulations, the Board adopted a 'Policy for Determination of Materiality of Events and Information', which inter-alia sets out guidelines for determining materiality of events / information for the purpose of disclosure to the Stock Exchanges and identifies specific officers of the Company who shall be authorized to determine materiality of an event / information and for making disclosures to the Stock Exchanges. The Policy is placed on the website of the Company and can be accessed at <https://www.aavas.in/policy-for-determination-of-materiality-of-events-and-information-for-disclosure-to-the-stock-exchange>.

j. CSR Policy

In terms of Section 135 of the Act, the Board adopted a 'CSR Policy' which helps in furtherance of your Company's objective to create value in the society and community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen.

The CSR Policy of the Company inter-alia indicates the CSR activities that can be undertaken by the Company and defines the roles and responsibilities of the Board and CSR Committee in implementing and monitoring CSR projects identified and supported by the Company. The CSR Policy is available on the website of the Company at <https://www.aavas.in/csr-policy>.

k. Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

In compliance of the SEBI PIT Regulations, as amended from time to time, the Company has formulated a Code of Conduct- Prevention of Insider Trading in the shares of the Company, which inter- alia, prohibits trading in shares of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company and in order to ensure uniform dissemination of unpublished price sensitive information. 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 and can be accessed at <https://www.aavas.in/code-of-practices-and-procedures-for-fair-disclosure-of-upsi>.

l. Code for Independent Directors

In terms of Section 149 and Schedule IV of the Act, the Company has adopted a code for Independent Directors in order to ensure fulfilment of responsibilities of Independent Directors of the Company in a professional manner.

The Code for Independent Directors aims to promote

confidence of the investment community, particularly minority Shareholders, regulators and other Stakeholders in the institution of Independent Directors and sets out the guidelines of professional conduct of Independent Directors, their roles, functions and duties, the process of performance evaluation etc.

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 providing a work environment that ensures that every Employee is treated with equal dignity and respect. The Company has implemented a robust framework on prevention of sexual harassment which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company educates Employees regarding Sexual Harassment Policy through posters and regular mailers and also conducts online trainings which form a part of the induction process. During the Financial Year under review, 3853 Employees were trained regarding this Policy. Specialised training session on execution of the Policy against Sexual Harassment was conducted on December 26, 2020 by a reputed law firm wherein detailed procedures to handle such complaints were discussed.

Pursuant to the said Act, the details of the total reported and closed cases pertaining to incidents under the above framework/ law are as follows:

Number of cases reported during the year	Nil
Number of cases closed during the year	Nil
Numbers of cases open as on March 31, 2021	Nil

GENERAL SHAREHOLDERS INFORMATION

This section inter- alia provides information pertaining to the Company, its Shareholding Pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. C (9) of Schedule V to the SEBI LODR Regulations relating to Corporate Governance.

I. Corporate Information:

1.	Incorporation Date	February 23, 2011 in Jaipur, as a Private Limited Company under the erstwhile Companies Act, 1956
2.	Registered Office Address	201-202, 2 nd Floor, South End Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan)
3.	Corporate Identification Number (CIN)	L65922RJ2011PLC034297
4.	Date, time and venue of the Annual General Meeting (AGM)	Date: August 10, 2021, Time: 3:30 P.M, Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility.

5.	Financial Year	April 01, 2020 to March 31, 2021
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	<p>The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE).</p> <p>Non-Convertible Debentures (NCDs) issued by the Company are listed on the Wholesale Debt Market (WDM) segment of the BSE.</p> <p>The addresses of NSE & BSE are given below:</p> <p>NSE: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.</p> <p>BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.</p>
10.	Payment of listing fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE where its securities are listed.
11.	Stock Code	<p>BSE: Scrip Code – 541988</p> <p>NSE: Trading Symbol – AAVAS</p>
12.	ISIN	INE216P01012
13.	Suspension of Company's Securities	Company's securities are never suspended from trading since its listing.
14.	Registrar & Share Transfer Agents	<p>Link Intime India Private Limited</p> <p>C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India</p> <p>Tel: +91 22 4918 6200,</p> <p>FAX: +91 22 49186195</p> <p>Website: https://linkintime.co.in/</p> <p>Email ID: rnt.helpdesk@linkintime.co.in</p>
15.	Plant Location	Since the Company is in the business of housing finance, the disclosure with regard to plant location is not applicable.
16.	Address for Correspondence	<p>Link Intime India Private Limited</p> <p>C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India</p> <p>Tel: +91 22 4918 6200,</p> <p>FAX: +91 22 49186195</p> <p>Website: https://linkintime.co.in/</p> <p>Email ID: rnt.helpdesk@linkintime.co.in</p> <p>The Company Secretary & Compliance Officer</p> <p>Aavas Financiers Limited</p> <p>Registered Office: 201-202, 2nd Floor, South End Square, Mansarover Industrial Area, Jaipur-302020 (Rajasthan)</p> <p>Tel: +91 14 1661 8800</p> <p>Fax: +91 14 1661 8861</p> <p>Email: investorrelations@aavas.in</p>
17.	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.
18.	Commodity Price Risks / Foreign Exchange Risk and Hedging Activities	This is not applicable since the Company does not have any derivatives or liabilities denominated in foreign currency.

19.	Dematerialisation of Shares and Liquidity	All shares of the Company are held in Dematerialised form. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.
20.	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. An update on the same is placed before the Stakeholders' Relationship Committee on quarterly basis. A half-yearly certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) and 61(4) of the SEBI LODR Regulations 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. Stock Market Price Data:

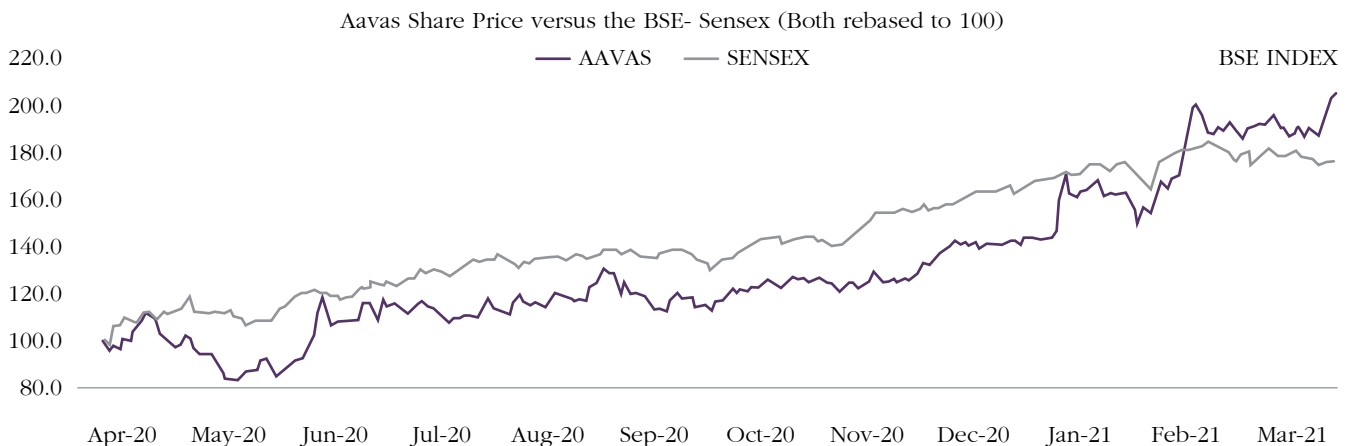
The reported high and low closing prices and volume of equity shares of the Company traded on NSE and BSE during the period under review (i.e. from April 01, 2020 to March 31, 2021) are set out in the following table:

Month	NSE			BSE		
	High Price (₹)	Low Price (₹)	Volume (No.)	High Price (₹)	Low Price (₹)	Volume (No.)
April 2020	1,301.15	1,132.40	10,00,261	1,301.10	1,125.35	51,844
May 2020	1,130.60	970.05	9,84,688	1,135.20	975.75	55,176
June 2020	1,403.40	1,063.05	1,741,133	1,403	1,060.70	61,411
July 2020	1,392.70	1,268.55	11,95,127	1,390.90	1,268.90	1,74,362
August 2020	1,535.70	1,349.40	45,91,561	1,535.85	1,346.05	1,44,711
September 2020	1,473.25	1,320.40	20,78,677	1,475.30	1,321.80	1,49,307
October 2020	1,500.55	1,420.85	10,15,076	1,501.55	1,415.60	21,500
November 2020	1,607.70	1,425.75	28,66,927	1,623	1,426.15	42,83,041
December 2020	1,699.20	1,636.05	15,44,400	1,698.70	1,635.35	1,43,925
January 2021	2,021.70	1,720.65	29,08,681	2,022.90	1,724.35	4,91,102
February 2021	2,364.55	1,901.90	22,35,233	2,367.40	1,909.75	1,32,698
March 2021	2,420.85	2,190.50	20,76,033	2419.40	2195.75	1,22,272

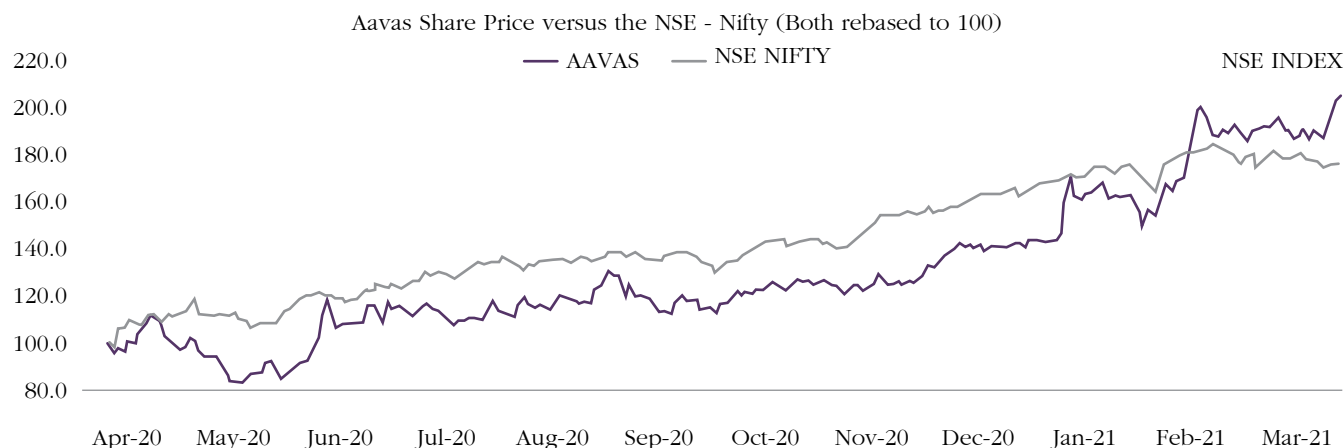
[Source: This information is compiled from the data available on the websites of NSE and BSE]

III. Share Price performance in comparison to broad based indices - BSE Sensex and NSE Nifty Share Price Movement (BSE and NSE):

BSE Sensex Share Price Movement



BSE Sensex Share Price Movement



IV. Credit Rating of the Company

India's renowned Credit Rating Agencies have assigned ratings to the Company, the details of the same are mentioned below:

Nature of Debt Instrument	Rating Agency	Term	Credit Ratings
Non-Convertible Debentures	CARE	Long Term	AA-/ Stable
	ICRA	Long Term	AA-/ Stable*
Bank Loans	CARE	Long Term	AA-/ Stable
	ICRA	Long Term	AA-/ Stable
Subordinated Debt	CARE	Long Term	AA-/ Stable
Commercial Paper	CARE	Short Term	A1+
	ICRA	Short Term	A1+
	India Ratings	Short Term	A1+

*During the Financial Year under review, ICRA Limited has upgraded the Long term ratings of the Company from "ICRA A+/Positive to ICRA AA-/Stable".

The ratings continue to reflect Company's healthy earning profile, adequate capitalization, strong net worth base, and steady improvement in its scale of operations.

V. General Meetings/Postal Ballot:-

a. Details of Past Three Annual General Meetings held by the Company:

Meeting	Day/Date/Time	Location	Details of Special Resolution passed
10 th AGM, 2019-2020*	Wednesday, July 22, 2020, 3:30 P.M.	201-202, 2 nd Floor, South End Square, Mansarovar Industrial Area, Jaipur-302020 (Raj) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility	<ul style="list-style-type: none"> 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 Companies Act, 2013. To approve creation of charge 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 approve issuance of Non-Convertible Debentures, in one or more tranches /issuances on Private Placement Basis. To approve "Equity Stock Option Plan for Employees 2020" ("ESOP-2020") of Aavas Financiers Limited.

Meeting	Day/Date/Time	Location	Details of Special Resolution passed
09 th AGM, 2018-19	Thursday, August 01, 2019, at 3:30 P.M.	Clarks Brij Convention Centre (CBCC), Hotel Clarks Amer, Jawahar Lal Nehru Marg, Near Jaipur Airport, Jaipur- 302018 (Raj)	<ul style="list-style-type: none"> To approve alteration in Articles of Association of the Company. To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserve and Securities Premium of the Company under section 180(1)(c) of the Companies Act, 2013. To approve 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 approve issuance of Non-Convertible Debentures, in one or more tranches /issuances on Private Placement Basis. To approve “Equity Stock Option Plan for Employees 2019” (“ESOP-2019”) of Aavas Financiers Limited.
08 th AGM, 2017-18	Wednesday, May 30, 2018, at 12:00 Noon	201-202, 2 nd Floor, South End Square, Mansarover Industrial Area, Jaipur-302020 (Raj)	<ul style="list-style-type: none"> To borrow money in excess of paid up capital, free Reserve and Securities Premium of the Company under section 180(1)(c) of the Act. To authorize Board to sell, lease or otherwise dispose of the assets of the Company under section 180(1)(a) of the Act to secure borrowings made under section 180(1)(c) of the Act. To authorize Board for issuance of Non-Convertible Debentures, in one or more tranches /issuances.

*The 10th AGM of the Company on July 22, 2020 was held through VC/OAVM, your Company has complied with MCA General Circular No. 14/2020 for conducting General Meeting through VC on account of threat posed by COVID-19.

b. No Extra Ordinary General Meeting was held by the Company during the Financial Year 2020-21.

c. Details of Business transacted through Postal Ballot during the Financial Year 2020-21

No Postal Ballot was conducted during the Financial Year 2020-21.

d. Details of Special Resolution proposed to be conducted through postal ballot:

No Special Resolution is proposed to be passed through postal ballot under the provisions of the Act, on or before the ensuing AGM.

VI. 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 Investors Education and Protection Fund. 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 and hence, there is no requirement of transferring the same to the IEPF for the year under the review.

VII. Distribution of Shareholding as at March 31, 2021

Distribution of Shareholding based on Nominal Value (₹) as on March 31, 2021

Sl. No.	Category (Nominal Value of Shares)	No. of Holders	% of Holders	No. of Shares	% to Total Equity
1	1 to 5000	25751	96.48	1260147	1.60
2	5001 to 10000	388	1.45	275271	0.35
3	10001 to 20000	197	0.74	281146	0.36
4	20001 to 30000	64	0.24	158519	0.20
5	30001 to 40000	52	0.19	181372	0.23
6	40001 to 50000	18	0.07	82953	0.11
7	50001 to 100000	58	0.22	433560	0.55
8	100001 to above	163	0.61	75831583	96.60
	Total	26691	100	78504551	100

VIII. Shareholding details as on March 31, 2021

The Shareholding Pattern of the Company, as on March 31, 2021 is as follows:

Sr. No.	Category	No. of Holders	No. of Equity Shares	Holding in Equity Share capital (%)
1	Foreign Promoter Company	3	39313706	50.0783
2	Foreign Portfolio Investors (Corporate)	137	25011695	31.8602
3	Public	24474	6966376	8.8738
4	Non Nationalised Banks	1	3383	0.0043
5	Mutual Funds	33	2846409	3.6258
6	Alternate Investment Funds	14	1197552	1.5255
7	Insurance Companies	18	2621037	3.3387
8	Other Bodies Corporate	497	368680	0.4696
9	Clearing Members	113	20204	0.0257
10	Non Resident Indians	550	62714	0.0799
11	Non Resident (Non Repatriable)	259	56293	0.0717
12	Hindu Undivided Family	585	36230	0.0462
13	Trust and trust (employees)	10	272	0.0003
	Total	26691	78504551	100

The Annual Return in form MGT-7 as at March 31, 2021 is available on the website of the Company and can be accessed at <https://www.aavas.in/investor-relations/annual-reports>.

IX. Means of Communication

Your Company focuses on prompt, continuous and efficient communication to all its Stakeholders. Aavas constantly interacts with Shareholders through multiple channels of communication such as result announcements, Annual Report, media releases, updating the information on Company's website, etc. The Managing Director & CEO, Chief Financial Officer and Investor Relations Officer at regular intervals conduct conference call (s) with the Analysts/ Shareholders and respond to the queries of investors. The Financial Results of the Company are generally published in the renowned daily newspapers such as Financial Express, Nafa Nuksan, Business Standard and Business Remedies. The Financial Results, presentations and press releases of the Company are also hosted on the website of the Company at www.aavas.in.

SEBI Complaints Redressal System (SCORES): A 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.

X. OTHER DISCLOSURES

i. Secretarial Audit for Financial Year 2020-21

M/s V. M. & Associates, Company Secretaries were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2021 as per the provisions of the Act who have carried out an independent

assessment of the compliance of SEBI LODR Regulations as a part of Secretarial Audit. The Secretarial Audit Report forms part of the Annual Report as "Annexure- 4" 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 auditor is a part:-

Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to M/s S.R. Batliboi & Associates LLP, Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, as included in the Consolidated Financial Statements of the Company for the year ended March 31, 2021, are as follows:

Particulars	Amount (₹ in lakh)
Fees for audit and related services paid to S.R. Batliboi & Associates LLP & Associates firms and to entities of the network of which the Statutory Auditor is a part	75.72
Other fees paid to S.R. Batliboi & Associates LLP & Associate firms and to entities of the network of which the Statutory Auditor is a part	2.50
Total	78.22

iii. Certification from Practicing Company Secretary (PCS)

A certificate from a Company Secretary in practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs 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 Ministry of Corporate Affairs in the preparation of its Financial Statements.

v. Auditors Certification on Corporate Governance

As required under the SEBI LODR Regulations, certificate issued by V. M. & ASSOCIATES, Company Secretaries certifying that the Company has complied with the conditions of Corporate Governance as stipulated by SEBI LODR Regulations is attached to the Corporate Governance Report. The said certificate forms part of the Annual Report as “Annexure- 3” to the Directors’ Report.

vi. Details of non-compliance by the Company, penalties, and strictures 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

The Equity shares of the Company were listed on the NSE and BSE on October 08, 2018. There are no non-compliances or penalties, strictures 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 viz. FY 2019, FY 2020, FY 2021.

vii. Directors and Officers (D&O) Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI LODR Regulations, the Company has taken a D&O Liability Insurance policy on behalf of all Directors including Independent Directors and KMP of the Company for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or

breach of trust for which they may be guilty in relation to the Company.

viii. CEO/ CFO certification

In terms of Regulation 17(8) of the SEBI LODR Regulations, Managing Director & CEO and CFO has made a certification to the Board in the prescribed format for the Financial Year under review, which has been taken on record by the Board.

ix. Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements of Corporate Governance:

During the period under review, Company has complied with all the mandatory requirements of SEBI LODR Regulations. The Company has also adopted certain voluntary compliance requirements as stipulated in the Act, SEBI LODR Regulations and other acts, rules, regulations & guidelines applicable to the Company.

x. 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.

The Company is in the regime of unqualified Financial Statements by the Auditors and the Internal Auditors directly report to the Audit Committee of the Company.

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

The Board periodically reviews the compliance of all applicable laws. The Company has complied with all mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and 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. It has obtained a certificate affirming the compliances from M/s V. M. & Associates, Company Secretaries and the same is attached to the Board’s Report.

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

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

Date: April 29, 2021

Place: Jaipur

Manas Tandon
Promoter Nominee Director
(DIN: 05254602)

Date: April 29, 2021

Place: Mumbai

Annexure A

Declaration on Compliance with the Company's Code of Conduct for Board and Senior Management Personnel

I, hereby confirm and declare that in terms of Regulation 26 (3) of SEBI LODR Regulations, all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the Financial Year 2020-21.

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

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

Date: April 29, 2021
Place: Jaipur

Annexure – 3

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Aavas Financiers Limited,
201-202, 2nd Floor, South End Square
Mansarovar Industrial Area
Jaipur- 302020 (Rajasthan)

1. We have examined the compliance of conditions of Corporate Governance of Aavas Financiers Limited (“the Company”) for the year ended on March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred as “SEBI Listing Regulations”].

Management’s Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India (“ICSI”).

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971

Place: Jaipur
Date: April 29, 2021
UDIN: F003355C000205513