

CORPORATE GOVERNANCE REPORT

2022-2023



Annexure-2

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's wealth-generating capacity and the same is ensured when a Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. It is one of the essential pillars for building an efficient and sustainable environment.

Aavas Financiers Limited (referred as "Aavas" or "Company") follows the best governance practices with highest integrity, transparency and accountability. Your Company is committed towards achieving the highest standards of Corporate Governance right from its establishment by staying true to its core values of Customer first, transparency, fairness in action, accountability, integrity and equity in all its engagements. The Company continually work towards managing, monitoring and overseeing various corporate systems in such a manner that the Company's reliability and reputation are not put at stake. Your Company's Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information to its stakeholders so as to make an informed decision.

Company's Corporate Governance is implemented through diverse Board which is enriched with appropriate balance of skills, experience and diversity of perspectives.

The Company is in compliance with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (hereinafter "RBI Master Directions") (including erstwhile regulations), the Companies Act, 2013 (hereinafter "the Act"), Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR Regulations") and all other applicable rules and regulations.

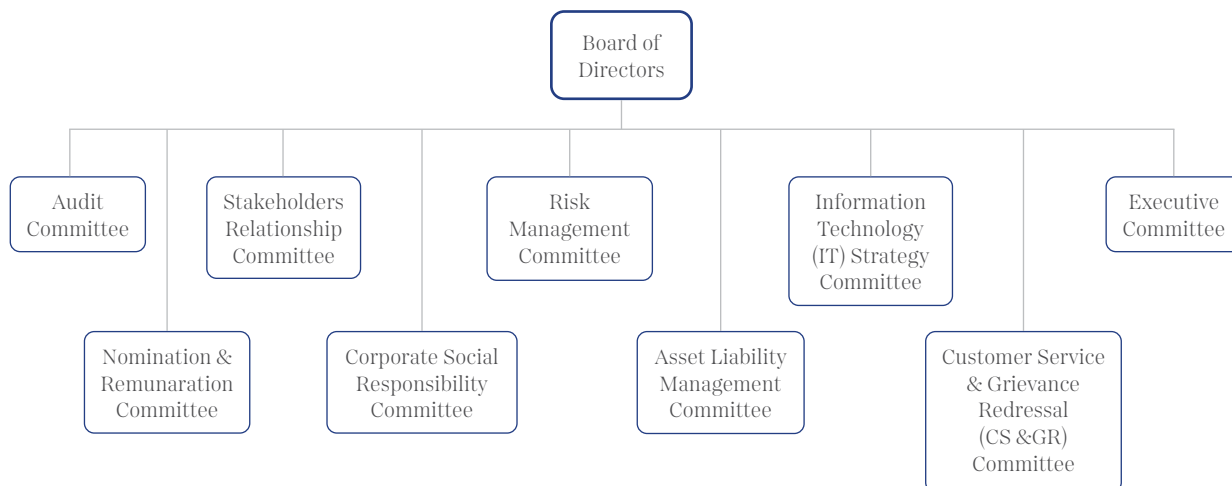


GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

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.

At Aavas, Corporate Governance 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 behaviour in doing business. Your Company transforms these core values into business policies and practices with the aim of sustainable growth for all its stakeholders. For us, Corporate Governance is a reflection of principles entrenched in our values. Your Company believes that adopting and adhering to the best standards of Corporate Governance encourages the Company to build a trustworthy, moral as well as ethical environment in the Company. The Company duly acknowledges its fiduciary role and responsibility towards all of its stakeholders including shareholders that strives hard to meet their expectations.

GOVERNANCE STRUCTURE



ETHICS/GOVERNANCE POLICIES

Being a responsible organization, your Company effectively discharges its obligations towards its stakeholders and controls the people associated with it through established standards and codes of conduct.

The Company's Corporate Governance is reinforced through the Code of Conduct for the Board Members and Senior Management, Code of Conduct for Prevention of Insider Trading in Company's Securities, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which strengthens the Corporate Governance Philosophy. The Company has in place Vigil Mechanism/ Whistle Blower Policy, Internal Guidelines on Corporate Governance, Prevention of Sexual Harassment Policy and Policy on Know Your Customer ("KYC") Norms and Anti Money Laundering ("AML") Measures.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34(2)(f) of SEBI LODR Regulation, the top 1000 (one thousand) listed entities based on market capitalization, shall attach a Business Responsibility Report with the Annual report describing the initiatives taken by the listed entity from an environmental, social and governance

perspective. Provided that the requirement of submitting a Business Responsibility Report shall be discontinued after the Financial Year 2021-22 and with effect from the Financial Year 2022-23, the top one thousand listed entities based on market capitalization shall submit a Business Responsibility and Sustainability Report.

Your Company, being a top thousand listed entity as per Market Capitalization and adhering to good Corporate Governance and for the amelioration of the society in which it operates the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report.

BOARD OF DIRECTORS ("Board")

The Board of Directors is the apex body for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders.

The Board of Directors of the Company plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. This belief is reflected in Aavas governance practices, under which the Company strives to maintain an effective, informed and independent Board.

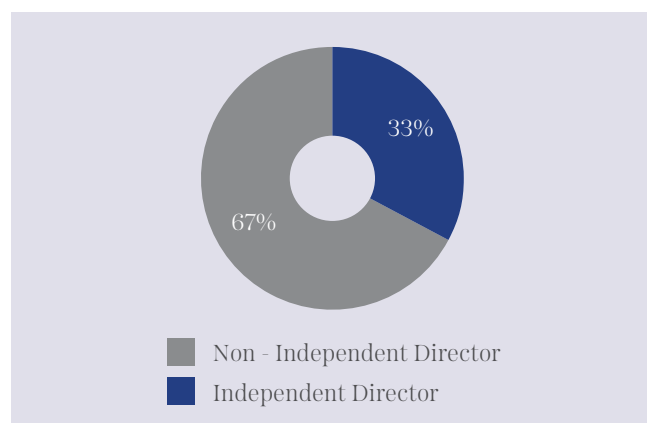
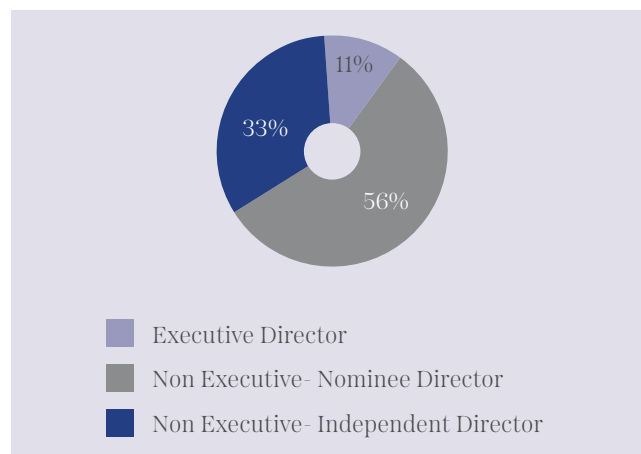
The Board represents the interest of the Company's stakeholders, oversees and directs the Company's overall business and affairs, reviews corporate performance, authorizes and monitors strategic investments, has an oversight on regulatory compliances and corporate governance matters and provides the 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. The Directors attend and actively participate in Board Meetings and Meetings of the Committees in which they are Members.

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

The Board also monitors implementation and effectiveness of overall Governance Structure of the Company. The Board's actions and decisions are aligned with the Company's best interests.

Size and Composition of Board

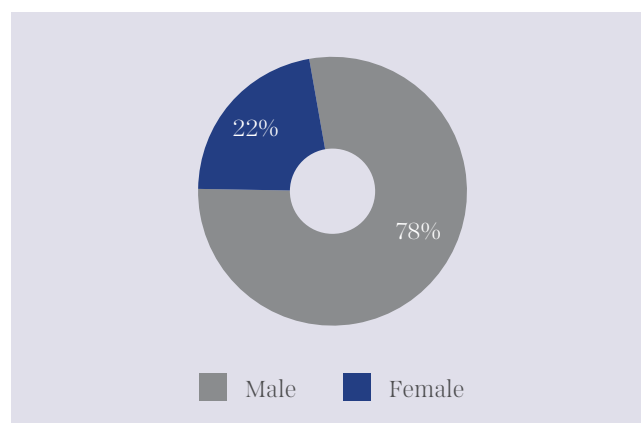
The Company recognizes and embraces the importance of a diverse Board in its success. Your Company's Board is constituted of highly experienced professionals from diverse backgrounds, which consists of values of collaborative spirit, unrelenting dedication, expert thinking and a primary role of trusteeship to protect and enhance stakeholders' value through strategic supervision. The Board provides direction and exercises appropriate controls.



The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 (hereinafter referred as "Act"), SEBI LODR Regulations and is in accordance with the highest standards of Corporate Governance.

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

The Board as on March 31, 2023 comprises of nine (9) Directors of whom three (3) are Independent Directors (including the



Chairperson and two (2) Women Independent Directors), five (5) are Non- Executive Nominee Directors and one (1) Executive Director i.e. Managing Director. The Chairperson of the Company is a Non-Executive Independent Director and not related to the Managing Director and Chief Executive Officer ("CEO") of the Company. The Company has furnished to National Housing Bank ("NHB") a quarterly statement on change of Directors and a certificate from the Managing Director and CEO that fit and proper criteria in selection of the Directors has been followed.

The Composition of the Board of the Company as on March 31, 2023 is given below:-

| Name of Director | Director since | 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**** | 27/07/2017 | Chairperson-Independent Director (Non- Executive) | 00054553 | - | 12 | 2 | 1 | Bachelor's and Master's in Electrical Engineering (More than 22 Years) |
| Mr. Sushil Kumar Agarwal# | 23/02/2011 | Managing Director (Executive) | 03154532 | 12,26,986 (1.55%) | 1 | 1 | - | C.A. and C.S. (More than 22 Years) |
| Mrs. Kalpana Iyer | 23/06/2016 | Independent Director (Non- Executive) | 01874130 | 7608 (0.009%) | 3 | 1 | 1 | C.A. (More than 27 Years) |
| Mrs. Soumya Rajan | 29/08/2019 | Independent Director (Non- Executive) | 03579199 | - | 9 | 1 | - | PG in Mathematics (More than 25 Years) |
| Mr. Ramachandra Kasargod Kamath## | 14/07/2016 | Nominee Director (Non- Executive) | 01715073 | 93,440 (0.11%) | 7 | 3 | - | B.COM. (More than 32 Years) |
| Mr. Vivek Vig### | 14/07/2016 | Nominee Director (Non- Executive) | 01117418 | 4,49,257 (0.56) | 7 | 1 | - | PG IIM (Bangalore) (More than 32 Years) |
| Mr. Nishant Sharma## | 23/06/2016 | Promoter Nominee Director (Non- Executive) | 03117012 | - | 9 | - | - | Engineer and MBA (More than 18 Years) |
| Mr. Manas Tandon### | 23/06/2016 | Promoter Nominee Director (Non- Executive) | 05254602 | - | 5 | - | - | Engineer and MBA (More than 22 Years) |
| Mr. Kartikeya Dhruv Kaji## | 27/07/2017 | Promoter Nominee Director (Non- Executive) | 07641723 | - | 5 | 5 | - | MBA (More than 7 Years) |

*No Convertible Instruments were issued to Non-Executive Directors as on March 31, 2023.

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

***For the 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 21, 2022. The Members of the Company at 12th AGM held on July 21, 2022 had approved the re-appointment of Mr. Sandeep Tandon as an Independent Director of the Company, for a second term of 5 consecutive years.

#Mr. Sushil Kumar Agarwal resigned from the post of Managing Director w.e.f. May 03, 2023. Mr. Sachinderpal Singh Jitendrasingh Bhinder was appointed as CEO w.e.f. February 02, 2023 and Managing Director w.e.f. May 03, 2023 (MD and CEO).

##Mr. Nishant Sharma, Mr. Ramachandra 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.

During the Financial Year 2022-23 there has been no change in the composition of the Board of Directors. However, after the closure of the Financial Year 2022-23 and before the approval of this report, the below mentioned changes took place in the composition of the Board of Directors.

Details of change in composition of the Board is given below-

| Name of the Director | Capacity | Nature of Change | Effective Date |
|---|-------------------------------|------------------|----------------|
| Mr. Sushil Kumar Agarwal | Managing Director (Executive) | Resignation | 03/05/2023 |
| Mr. Sachinderpalsingh Jitendrasingh Bhinder | Managing Director (Executive) | Appointment | 03/05/2023 |

As required under Schedule V of the SEBI LODR Regulations, 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:

| Matrix setting out the skills/ expertise/competence of the Board | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|--------------------------------------|--|----------------------|----------------------|---------------------------------|--------------------------------|---|---|---|
| Name of the Director | Mr. Sandeep Tandon | Mr. Sachinderpalsingh Jitendrasingh Bhinder* | Mrs. Kalpana Iyer | Mrs. Soumya Rajan | Mr. Ramachandra Kasargod Kamath | Mr. Vivek Vig | Mr. Nishant Sharma | Mr. Manas Tandon | Mr. Karlikeya Dhruv Kaji |
| Designation | Independent Director and Chairperson | Managing Director and CEO | Independent Director | Independent Director | Non-Executive Nominee Director | Non-Executive Nominee Director | Non-Executive Promoter Nominee Director | Non-Executive Promoter Nominee Director | Non-Executive Promoter Nominee Director |
| Gender (Male/Female) | Male | Male | Female | Female | Male | Male | Male | Male | Male |
| Age (in years) | 54 | 50 | 57 | 53 | 67 | 60 | 44 | 46 | 40 |
| 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 | ✓ | ✓ | - | - | ✓ | ✓ | ✓ | ✓ | - |

*appointed as CEO w.e.f February 02, 2023 and Managing Director w.e.f. May 03, 2023 (MD and CEO).

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

Directorship of Directors in other Listed entities as on March 31, 2023 are as follows:

| Name of Director | DIN | Name of the Listed entity | Category (Executive or Non-Executive) |
|---------------------------------|----------|-------------------------------------|--|
| Mr. Sandeep Tandon | 00054553 | Syrma SGS Technology Limited | Executive Director |
| Mr. Sushil Kumar Agarwal* | 03154532 | - | - |
| Mrs. Kalpana Iyer | 01874130 | - | - |
| Mrs. Soumya Rajan | 03579199 | - | - |
| Mr. Ramachandra 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) |

* Mr. Sushil Kumar Agarwal resigned w.e.f. May 03, 2023. Mr. Sachinderpalsingh Jitendrasingh Bhinder was appointed as CEO w.e.f. February 02, 2023 and Managing Director w.e.f. May 03, 2023 (MD and CEO).

None of Directors hold directorship in more than 10 public companies and do not serve as a Director in more than 7 listed companies, across all their directorships held, including that in the Company. Further, none of the Directors of the Company is a Member of more than 10 Committees or Chairperson of more than 5 Committees across all the public companies in which he/ she is a Director. None of the Directors are inter-se related to each other.

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

Board Meetings

The Meetings of the Board of Directors and Committees of the Board are pre-scheduled in consultation with the Board members and a tentative annual calendar of the Board and Committee Meetings is circulated to all the Directors well in advance, to enable them to plan their schedule and to facilitate active participation in the Meetings. In the event of any special and urgent business need, the Board's approval is taken by passing resolutions by circulation, in accordance with all the applicable laws, which are noted and confirmed in the succeeding Board Meeting. Committees of the Board usually meet the day before the Board meeting, or whenever the need arises for transacting business.

The Notice and Agenda of the Board and Committee Meetings are circulated well in advance and in accordance with the applicable laws to enable the Board to discharge its responsibilities effectively and take informed decisions. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings. All statutory and other significant matters, including the minimum information as required to be placed before Board in terms of Schedule II- Part A of SEBI LODR Regulations and Secretarial Standards under the Act were placed before the Board.

The participation in the Board and Committee Meetings is also facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by Directors located in other locations.

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, compliances and other matters. The Meetings are conducted in compliance with the regulatory requirements including those prescribed under the Act. Additional meetings are held when necessary.

The Board met 4 (four) times during the Financial Year 2022-23.



All the Meetings were held in a manner that not more than 120 days elapsed between two consecutive Meetings. The required quorum was present at all the above Meetings. The details of the Directors along with their attendance at Board Meetings (during the Financial Year 2022-23) and Annual General Meeting (“AGM”) held on Thursday, July 21, 2022 are as given below:

| Name of Director | Designation & Category | No. of Meetings entitled to attend | No. of Meetings Present | | | | % of attendance | Attendance at the last AGM held on July 21, 2022 |
|---------------------------------|--|------------------------------------|-------------------------|---------------|------------------|-------------------|-----------------|--|
| | | | May 05, 2022 | July 28, 2022 | October 20, 2022 | February 02, 2023 | | |
| Mr. Sandeep Tandon | Chairperson Independent Director Non-Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mr. Sushil Kumar Agarwal* | Managing Director- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mrs. Kalpana Iyer | Independent Director Non-Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mrs. Soumya Rajan | Independent Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mr. Ramachandra Kasargod Kamath | Nominee Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mr. Vivek Vig | Nominee Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mr. Nishant Sharma | Promoter Nominee Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |
| Mr. Manas Tandon | Promoter Nominee Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✕** | 75% | No |
| Mr. Kartikeya Dhruv Kaji | Promoter Nominee Director Non- Executive | 4 | ✓ | ✓ | ✓ | ✓ | 100% | Yes |

* Resigned w.e.f. May 03, 2023

**Mr. Manas Tandon was granted leave of absence from Meeting dated February 02, 2023.

Independent Directors

Independent Directors act as a guide, coach, and mentor to the Company. Their wide knowledge of both, their field of expertise and Board Room 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 have also submitted the declaration of independence stating that they meet the criteria as provided under Section 149(6) of the Companies Act, 2013 as amended from time to time. All Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR Regulations. They have also confirmed compliance with the Section 150 of the Companies Act, 2013 and Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 relating to the inclusion of their name in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

The terms and conditions of appointment of Independent Directors are available on the Company's website at <https://www.aavas.in/img/pdf/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>. In the opinion of the Board, the Independent Directors fulfill the conditions as 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 2022-23.

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 of Directors at the time for their appointment/re-appointment and on a continuing basis as prescribed under the RBI Master Directions.

Familiarization Programmes for the Independent Directors

The Familiarization Programme aims to provide Independent Directors with the Housing industry scenario, 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 in the Industry or regulatory changes affecting the Company, 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 Companies Act 2013 and other relevant legislations.

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.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities.

During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with their roles, rights, duties and responsibilities, nature of Industry in which the company operates and business model of the Company. Pursuant to Regulation 46 of the SEBI LODR Regulations, details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed through the Web-link: <https://www.aavas.in/img/pdf/details-of-familiarization-programme-imparted-to-independent-directors.pdf>.

Selection and Appointment of Directors

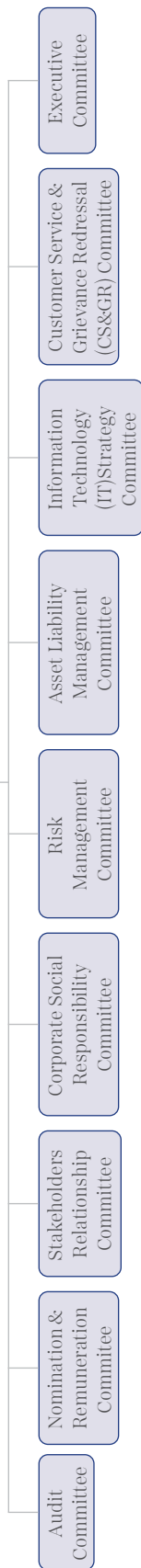
The selection and appointment of Directors of the Company is carried out in accordance with provisions of the Act and relevant rules made thereunder, Directions and Guidelines issued by RBI and NHB, SEBI LODR Regulations and as per the Nomination and Remuneration Policy of the Company.

COMMITTEES OF THE BOARD

The Board has constituted sub-committees comprising of Directors and Senior Management Personnel (wherever required) as its Members to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees were placed before the Board for information or approval.

All decisions and recommendations of the various Committees were accepted by the Board during the Financial Year 2022-23. The composition and functioning of these Board Committees is in compliance with the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and the Master Directions issued by RBI.

Committees of Board of Directors



Details of the Committees of the Board, as on March 31, 2023, and other related information are as follows:

| Name of Director/ Member | Audit Committee | Nomination & Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee | Risk Management Committee | Asset Liability Management Committee | Information Technology Strategy Committee | Customer Service & Grievance Redressal Committee | Executive Committee |
|--|--------------------|---|---|--|---------------------------------|--|--|--|------------------------|
| Mr. Sandeep Tandon | M | M | C | - | - | - | C | - | - |
| Mr. Sushil Kumar Agarwal# | - | - | M | M | - | C | M | C | M |
| Mrs. Kalpana Iyer | C | - | - | M | - | - | - | - | - |
| Mrs. Soumya Rajan | M | C | - | - | M | - | - | - | - |
| Mr. Ramachandra Kasargod Kamath | M | - | - | - | M | - | - | - | - |
| Mr. Vivek Vig | - | - | M | M | - | M | - | - | - |
| Mr. Nishant Sharma | - | M | - | - | M | M | - | - | C* |
| Mr. Manas Tandon | - | - | - | - | C | - | - | - | M |
| Mr. Kartikeya Dhruv Kaji | - | - | M | C | - | - | - | - | - |
| Mr. Ghanshyam Rawat | - | - | - | - | - | M | - | M | M |
| Mr. Ashutosh Atre | - | - | - | - | - | M | - | - | M** |
| Mrs. Jijy Oommen | - | - | - | - | - | - | M | - | - |
| Mr. Rajeev Sinha | - | - | - | - | - | - | - | M | - |
| Mr. Surendra Kumar Sihag | - | - | - | - | - | - | - | M | - |
| Mr. Sachinderpalsingh Jitendrasingh Bhinder | - | - | - | - | - | C*** | - | - | M*** |
| Mr. Ripudaman Bandral | - | - | - | - | - | M**** | - | - | - |
| Total | 4 | 3 | 4 | 4 | 3 | 6 | 3 | 4 | 6 |

C: Chairperson M: Member

Note-

#Ceased to be a Member and Chairperson w.e.f. May 03, 2023

* Became Chairperson w.e.f. February 02, 2023

**Became Member w.e.f. February 02, 2023

*** Became Chairperson w.e.f. May 03, 2023 & Member w.e.f. February 02, 2023

****Became Member w.e.f. February 02, 2023

AUDIT COMMITTEE



The Board has constituted the Audit Committee in terms of provisions of Section 177 of the Act, Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, RBI Master Directions and is chaired by an Independent Director.

At present, the Audit Committee comprises of 4 Directors as its Members, out of them 2/3rd are Independent Directors and all of them being Non-Executive Directors. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess accounting 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 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 | Category | Designation | No. of Meetings Attended | | | |
|---------------------------------|---------------------------------|----------------------|--------------------------|---------------|------------------|-------------------|
| | | | May 05, 2022 | July 28, 2022 | October 20, 2022 | February 02, 2023 |
| Mrs. Kalpana Iyer | Independent Director | Member & Chairperson | ✓ | ✓ | ✓ | ✓ |
| Mr. Sandeep Tandon | Independent Director | Member | ✓ | ✓ | ✕* | ✓ |
| Mrs. Soumya Rajan | Independent Director | Member | ✓ | ✓ | ✓ | ✓ |
| Mr. Ramachandra Kasargod Kamath | Non- Executive Nominee Director | Member | ✓ | ✓ | ✓ | ✓ |

*Mr. Sandeep Tandon was granted leave of absence from Meeting dated October 20, 2022.

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 inter-alia includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

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

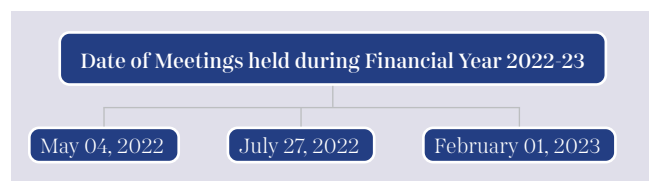
- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
- b. Changes, if any, in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by management;
- d. Significant adjustments made in the Financial Statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to Financial Statements;
- f. Disclosure of any related party transactions; and
- g. Modified opinion(s) in the draft Audit Report.

5. Reviewing with the management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement

of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilization of proceeds of public issue or rights issue or preferential issue or qualified institution placement, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audits;
14. Discussion with Internal Auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Overseeing the vigil mechanism established by our Company and the Chairperson of Audit Committee shall directly hear grievances of victimization of Employees and Directors, who use vigil mechanism to report genuine concerns;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of the Company or specified / provided under the Act or by the SEBI LODR Regulations or by any other regulatory authority;
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.
24. To review management discussion and analysis of financial condition and results of operations;
25. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
26. To review Internal Audit reports relating to internal control weaknesses; and
27. To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
28. Statement of deviations in terms of the SEBI LODR Regulations:
 - (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.
29. Any other power as may be given under SEBI Regulations, the Act, or other applicable regulations.

NOMINATION AND REMUNERATION COMMITTEE (NRC)



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

At present, the Nomination and Remuneration Committee comprises of 3 Directors as its Members, all of them being Non-Executive Directors and 2/3rd being Independent Directors. 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.

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

| Name of the Members | Category | Designation | No. of Meetings Attended | | |
|---------------------|--|----------------------|--------------------------|---------------|-------------------|
| | | | May 04, 2022 | July 27, 2022 | February 01, 2023 |
| Mrs. Soumya Rajan | Independent Director | Member & Chairperson | ✓ | ✓ | ✓ |
| Mr. Sandeep Tandon | Independent Director | Member | ✓ | ✓ | ✓ |
| Mr. Nishant Sharma | Non- Executive Promoter Nominee Director | Member | ✓ | ✓ | ✓ |

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

- 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;
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board Of Directors;
- Devising a policy on diversity of Board Of Directors;
- 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;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
 - Administering the ESOP plans;
 - Determining the eligibility of Employees to participate under the ESOP plans;
 - Granting options to eligible Employees and determining the date of grant;
 - Determining the number of options to be granted to an Employee;
 - Determining the exercise price under the ESOP plans; and

- (f) Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of the Company and eligible Employees under the ESOP plans, and prescribing, amending and / or rescinding rules and regulations relating to the administration of the ESOP plans.
- 9. Framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable 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 by the Nomination and Remuneration Committee.

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 has been carried out 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 Jan. 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, 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.

To ease the evaluation process and to make it more efficient and productive, Company use Board Evaluation platform “GOVEVA Board Evaluation”, which is a web based module. The Directors can evaluate related group and provide ranking accordingly at one place in matrix-based form upon which automated report is generated which maintains complete confidentiality and anonymity.

The Board has expressed its satisfaction with the evaluation process.

Policy on Nomination & Remuneration for Directors, KMP and Senior Management

The Company has duly formulated Policy on Nominations & Remuneration for Directors, KMP and Senior Management (“Remuneration Policy”) as per the provisions of the Act read with applicable Rules and Regulations under the Act and SEBI LODR Regulations as amended from time to time, 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 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 https://www.aavas.in/img/pdf/Policy_on_Nomination_and_Remuneration.pdf.

Remuneration to Directors

Non-Executive Directors:

Equivalent Consolidated Remuneration is paid to Non-Executive Directors as profit linked commission on quarterly basis for attending the Committee and Board Meetings instead of paying sitting fees and commission separately. None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company apart from receiving consolidated remuneration. The amount 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.



Details of the Remuneration paid to each Non- Executive Director during Financial Year 2022-23 is set out in the below table:

(₹ in lakh)

| Name of the Director | Remuneration | | |
|---------------------------------|-------------------------------|-------------|------------|
| | Salary and other compensation | Sitting Fee | Commission |
| Mr. Sandeep Tandon | - | - | 24.00 |
| Mrs. Kalpana Iyer | - | - | 24.00 |
| Mrs. Soumya Rajan | - | - | 24.00 |
| Mr. Ramachandra Kasargod Kamath | - | - | 24.00 |
| Mr. Vivek Vig | - | - | 24.00 |
| Mr. Nishant Sharma* | - | - | - |
| Mr. Manas Tandon* | - | - | - |
| Mr. Kartikeya Dhruv Kaji* | - | - | - |

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

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

Executive Director:

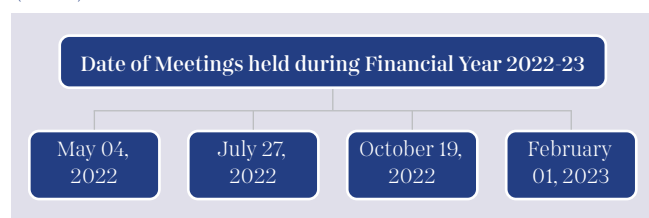
Mr. Sushil Kumar Agarwal* was the Managing Director of the Company as on March 31, 2023. His remuneration package comprises of salary, perquisites and other benefits as approved by the Shareholders of the Company. The remuneration paid to him is governed by Employment Agreement executed between him and the Company. Details of the remuneration paid to Mr. Sushil Kumar Agarwal for the year ended March 31, 2023 is as below:

(₹ in lakh)

| Sr. No. | Particulars of Remuneration | Amount |
|---------|---|--------|
| 1. | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 334.79 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission | - |
| | - as % of profit | - |
| | - others, specify | - |
| 5. | Total | 334.79 |

*resigned w.e.f. May 03, 2023. Mr. Sushil Kumar Agarwal is not eligible for any severance fee.

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)



The Board has constituted the Stakeholders Relationship Committee 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 and is chaired by an Independent Director.

At present, the Stakeholders Relationship Committee comprises of 4 Directors as its Members with one of them being an Independent Director. The Company Secretary of the Company acts as Secretary to the Committee.

The Stakeholders Relationship Committee specifically look into various aspects of interest of shareholders, debenture holders and other security holders like transfer/transmission of shares, issue of duplicate share certificate(s), non-receipt of dividend, annual report and other related matters.

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

| Name of the Members | Category | Designation | No. of Meetings Attended | | | |
|---------------------------|--|----------------------|--------------------------|---------------|------------------|-------------------|
| | | | May 04, 2022 | July 27, 2022 | October 19, 2022 | February 01, 2023 |
| Mr. Sandeep Tandon | Independent Director | Member & Chairperson | ✓ | ✓ | ✕* | ✓ |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member | ✓ | ✓ | ✓ | ✓ |
| Mr. Vivek Vig | Non- Executive Nominee Director | Member | ✓ | ✕** | ✓ | ✓ |
| Mr. Kartikeya Dhruv Kaji | Non- Executive Promoter Nominee Director | Member | ✓ | ✓ | ✓ | ✓ |

*Mr. Sandeep Tandon was granted leave of absence from Meeting dated October 19, 2022.

**Mr. Vivek Vig was granted leave of absence from Meeting dated July 27, 2022.

ceased to be member w.e.f. May 03, 2023.

The terms of reference of the Stakeholders Relationship Committee inter-alia includes the following-

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed

dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the Company.

Details of Investor Complaints:

All the 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, details of complaints received are given below:-

| Sr. No. | Nature of Complaints | Number of Complaints received during the period | Number of Complaints disposed off during the period | Number of Complaints remained unresolved | Number of complaints not solved to the satisfaction of the shareholders |
|--------------|---|---|---|--|---|
| 1 | Non-Receipt of Dividend/Interest/ Redemption Warrant | - | - | - | - |
| 2 | Non-Receipt of Annual Report | 1 | 1 | NIL | NIL |
| 3 | Non-receipt of Refund/Credit of Shares-IPO | - | - | - | - |
| 4 | SEBI-SCORES | - | - | - | - |
| 5 | Requirement of statutory documents, records and Statutory Registers | 1 | 1 | NIL | NIL |
| Total | | 2 | 2 | NIL | NIL |

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE



The Board has constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act and is chaired by a Non-Executive Director.

At present, the Corporate Social Responsibility Committee comprises of 4 Directors as its Members including one of them being Independent Director. The Company Secretary of the Company acts as 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 are as under:

| Name of the Members | Category | Designation | No. of Meetings Attended | | |
|---------------------------|--|----------------------|--------------------------|------------------|-------------------|
| | | | May 04, 2022 | October 19, 2022 | February 01, 2023 |
| Mr. Kartikeya Dhruv Kaji | Non- Executive Promoter Nominee Director | Member & Chairperson | ✓ | ✓ | ✓ |
| Mrs. Kalpana Iyer | Independent Director | Member | ✓ | ✓ | ✓ |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member | ✓ | ✓ | ✓ |
| Mr. Vivek Vig | Non- Executive Nominee Director | Member | ✓ | ✓ | ✓ |

ceased to be member w.e.f. May 03, 2023.

The terms of reference of the Corporate Social Responsibility Committee inter-alia includes the following:

1. To formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company 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.
4. Formulate and recommend to the Board, annual action plan of CSR Activities of the Company.
5. Approve the projects, recommend the amount to be spent, set project selection guidelines and monitor implementation to ensure that spending is undertaken in accordance with this Policy.

RISK MANAGEMENT COMMITTEE (RMC)



The Board has constituted the Risk Management Committee in terms of the provisions of Regulation 21 of SEBI LODR Regulations and other applicable guidelines and is chaired by a Non-Executive Director to identify the risks that can create an impact on the Company and to take appropriate measures to mitigate such risks for assisting the Board to establish a risk culture and risk governance framework in the organization.

At present, the Risk Management Committee comprises of 3 Directors as its Members including one Independent Director. The Company Secretary of the Company acts as 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 are as under:

| Name of the Members | Category | Designation | No. of Meetings Attended | | | |
|---------------------------------|--|----------------------|--------------------------|---------------|------------------|-------------------|
| | | | May 04, 2022 | July 28, 2022 | October 19, 2022 | February 01, 2023 |
| Mr. Manas Tandon | Non- Executive Promoter Nominee Director | Member & Chairperson | ✓ | ✓ | ✓ | x* |
| Mr. Ramachandra Kasargod Kamath | Non- Executive Nominee Director | Member | ✓ | ✓ | ✓ | ✓ |
| Mrs. Soumya Rajan | Independent Director | Member | ✓ | ✓ | ✓ | ✓ |

*Mr. Manas Tandon was granted leave of absence from Meeting dated February 01, 2023.

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

- To formulate a detailed Risk Management Policy which shall include:
 - Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board Of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- Reporting results of risk and credit monitoring to the Board;
- Reviewing and approving various credit proposals in terms of credit and risk management policies approved by the Board;

- Establishing policies, practices and other control mechanism to manage risks;
- 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.

The Committee coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)



The Board has constituted the Asset Liability Management Committee as per the guidelines issued by the National Housing Board. At present, the Committee comprises of 6 Members. The Company Secretary of the Company acts as Secretary to the Committee.

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

| Name of the Members | Category | Designation | No. of Meetings Attended | | | | | |
|---------------------------|--|----------------------|--------------------------|--------------|---------------|------------------|-------------------|-------------------|
| | | | May 04, 2022 | May 13, 2022 | July 27, 2022 | October 19, 2022 | December 09, 2022 | February 01, 2023 |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member & Chairperson | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Nishant Sharma | Non- Executive Promoter Nominee Director | Member | ✓ | ✓ | ✓ | ✓ | ✕* | ✓ |
| Mr. Ghanshyam Rawat | President and Chief Financial Officer | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Vivek Vig | Non- Executive Nominee Director | Member | ✓ | ✕** | ✕** | ✓ | ✓ | ✓ |
| Mr. Ashutosh Atre | President and Chief Risk Officer | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Ripudaman Bandral ## | Chief Credit Officer | Member | - | - | - | - | - | - |

*Mr. Nishant Sharma was granted leave of absence from Meeting dated December 09, 2022.

**Mr. Vivek Vig was granted leave of absence from Meetings dated May 13, 2022 and July 27, 2022.

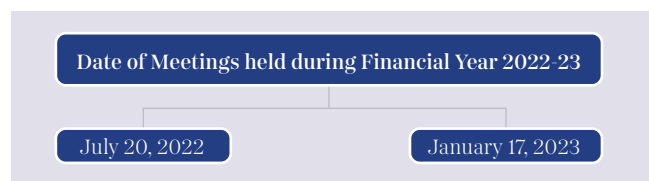
#Mr. Sushil Kumar Agarwal ceased to be chairperson & member w.e.f. May 03, 2023. Mr. Sachinderpalsingh Jitendrasingh Bhinder appointed as chairperson & member w.e.f. May 03, 2023.

##Mr. Ripudaman Bandral inducted as member of the committee w.e.f. February 02, 2023.

The scope of the ALCO inter-alia includes the following:

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.

INFORMATION TECHNOLOGY (IT) STRATEGY COMMITTEE



The Board has constituted the Information Technology (IT) Strategy Committee in accordance with the NHB/ND/DRS/Policy Circular No.90/2017-18 dated June 15, 2018. The Committee comprises of 3 Members. The Company Secretary of the Company acts as Secretary to the Committee. The Committee follows the guidelines prescribed in RBI Master Directions.

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

| Name of the Members | Category | Designation | No. of Meetings Attended | |
|---------------------------|--------------------------|----------------------|--------------------------|------------------|
| | | | July 20, 2022 | January 17, 2023 |
| Mr. Sandeep Tandon | Independent Director | Member & Chairperson | ✓ | ✓ |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member | ✓ | ✓ |
| Ms. Jijy Oommen | Chief Technology Officer | Member | ✓ | ✓ |

ceased to be member w.e.f. May 03, 2023.

The terms of reference of the Information Technology 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.

EXECUTIVE COMMITTEE

The Board has constituted the Executive Committee of Board of Directors. The purpose of the Committee is to advise the Board of Directors in matters related to loan, borrowings, investment and approve the financing options available to Company to meet its fund requirements within the limits specified by the Board of Directors and Shareholders of the Company. Besides this, the Committee also reviews the conduct of business and operations to consider new products and parameters and suggests business reorientation.

The composition of Executive Committee is as follows:

| Name of the Members | Category | Designation |
|--|---|-------------|
| Mr. Nishant Sharma | Promoter Nominee Director | Chairperson |
| Mr. Manas Tandon | Promoter Nominee Director | Member |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member |
| Mr. Sachinderpalsingh Jitendrasingh Bhinder* | Managing Director and Chief Executive Officer | Member |
| Mr. Ghanshyam Rawat | President and Chief Financial Officer | Member |
| Mr. Ashutosh Atre* | President and Chief Risk Officer | Member |

ceased to be member w.e.f. May 03, 2023

*appointed as member w.e.f. February 02, 2023

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

During the period under review total 44 Executive Committee Meetings were held on dated April 08, 2022, April 20, 2022, May 31, 2022, June 30, 2022, July 24, 2022, July 28, 2022, August 03, 2022, September 03, 2022, September 15, 2022, September 21, 2022, September 22, 2022, October 03, 2022, October 10, 2022, October 12, 2022, October 13, 2022, October 17, 2022, October 20, 2022, October 28, 2022, October 31, 2022, November 08, 2022, November 12, 2022, November 29, 2022, November 30, 2022, December 01, 2022, December 02, 2022, December 13, 2022, December 22, 2022, December 27, 2022, December 30, 2022, December 31, 2022, January 09, 2023, January 31, 2023, February 03, 2023, February 10, 2023, February 15, 2023, February 22, 2023, February 23, 2023, February 24, 2023, February 27, 2023, March 01, 2023, March 08, 2023, March 14, 2023, March 22, 2023 and March 29, 2023.

CUSTOMER SERVICE & GRIEVANCE REDRESSAL (CS&GR) COMMITTEE



The Board has constituted the CS&GR Committee 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.

The Committee comprises of 4 Members. The Company Secretary of the Company acts as 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 are as under:

| Name of the Members | Category | Designation | No. of Meetings Attended | | | |
|---------------------------|---------------------------------------|----------------------|--------------------------|---------------|------------------|------------------|
| | | | April 14, 2022 | July 20, 2022 | October 31, 2022 | January 31, 2023 |
| Mr. Sushil Kumar Agarwal# | Managing Director | Member & Chairperson | ✓ | ✓ | ✓ | ✓ |
| Mr. Ghanshyam Rawat | President and Chief Financial Officer | Member | ✓ | ✓ | ✓ | ✓ |
| Mr. Rajeev Sinha | Executive- VP Operations | Member | ✓ | ✓ | ✓ | ✓ |
| Mr. Surendra Kumar Sihag | Chief Collections Officer | Member | ✓ | ✓ | ✓ | ✓ |

ceased to be member & chairperson w.e.f. May 03, 2023.

Meeting of Independent Directors

Pursuant to Regulation 25 of SEBI (LODR) Regulations, 2015 the Independent Directors shall hold at least 1 (one) Meeting in a Financial Year without the presence of Non-Independent Directors and members of the management 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 financial Year 2022-23 was held on March 29, 2023 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 and Sweat Equity) Regulations, 2021, is mentioned in the Director's Report.

Loans and advances in the nature of loans to firms/ companies in which Directors are Interested: Nil

POLICIES AND CODES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. A policy is a statement of intent and is implemented as a procedure or protocol. For compliance with the Chapter II (Principles governing disclosures and obligations of listed entity) of SEBI LODR, RBI Master Directions and other applicable guidelines on the company and keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance and also to ensure effective and efficient Internal Controls System, the Company has adopted several codes / policies / guidelines which among others include the following:

a. Internal Guidelines on Corporate Governance

Your Company has formulated and adopted Internal Guidelines on Corporate Governance in accordance with the 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 guidelines of the Company.

The guidelines have been framed in accordance with the Companies Act, 2013, SEBI LODR, Regulations, RBI Master

Directions and other applicable rules and regulations. The policy is reviewed, as and when necessary, by the Board in the context of changing regulations and emerging best practices with a view to improving the Company's governance standards on an ongoing basis.

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

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 has adopted '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

Pursuant to Regulation 23 of SEBI LODR Regulations, the Company has in place policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

All transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on arm's length basis.

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/img/pdf/Policy-on-Materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>.

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. The Code intends to provide 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 and Chief Executive Officer 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 Board and the Senior Management Personnel for the Financial Year ended March 31, 2023 and is attached as "Annexure A" with this Report.

The said code is available on the website of the Company and can be accessed at web link: <https://www.aavas.in/codes-and-policies>.

e. Policy for Determining Material Subsidiaries

In terms of the provisions of the SEBI LODR Regulations, the Board has 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/codes-and-policies>.

Material Subsidiary:

The Company does not have any Material Subsidiary as on March 31, 2023 in terms of SEBI (LODR) Regulations, 2015.

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.

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 the 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 <https://www.aavas.in/img/pdf/Whistle-Blower-Policy.pdf>.

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/img/pdf/policy-for-determination-of-materiality-of-events-and-information-for-disclosure-to-the-stock-exchange.pdf>

j. CSR Policy

In terms of the provision 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 encompasses the philosophy of Company for delineating its responsibility as a corporate citizen and as a part of its initiatives the Company has undertaken various projects in the area of skill / rural area development, women empowerment, environment protection and healthcare/medical facility etc. 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/img/pdf/corporate-social-responsibility-policy.pdf>.

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/img/pdf/code-for-fair-disclosure-of-upsi.pdf>.

l. Code for Independent Directors

In terms of Section 149 and Schedule IV of the Companies Act, 2013 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.

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 complaints filed during the Financial year | 3 |
| Number of complaints disposed of during the Financial Year | 2 |
| Number of complaints pending as on end of the Financial Year. | 1 |

n. Dividend Distribution Policy

The Company has in place Dividend Distribution Policy, duly approved by the Board of Directors. The same is available on the website of the Company and can be accessed at <https://www.aavas.in/img/pdf/dividend-distribution-policy.pdf>.

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 |
| 2. | Registered Office Address | 201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan) |
| 3. | Corporate Identification Number (CIN) | L65922RJ2011PLC034297 |
| 4. | Date, time and venue of the Annual General Meeting (AGM) | Wednesday, July 19, 2023 at 03:30 P.M., Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility. |
| 5. | Financial Year | April 01, 2022 to March 31, 2023 |
| 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) on October 08, 2018.</p> <p>Non-Convertible Debentures (NCDs) issued by the Company are listed on the Wholesale Debt Market (WDM) segment of the BSE.</p> <p>Masala Bonds issued by the Company is listed on NSE IFSC Limited.</p> <p>The addresses of NSE, BSE and NSE IFSC Limited 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> <p>NSE IFSC Limited: Unit No. 1201, Brigade International Financial Centre, 12th Floor Building No. 14-A Block No. 14, Road-1C Zone 1, GIFT SEZ, Gandhinagar – 382355</p> |

| | | |
|-----|---|---|
| 10. | Payment of listing fees | The Company has paid the annual listing fees for the relevant periods to NSE and BSE |
| 11. | Stock Code | BSE: Scrip Code – 541988 NSE: Scrip Symbol – AAVAS |
| 12. | ISIN of Equity Shares | INE216P01012 |
| 13. | Suspension of Company's Securities | Company's securities are never suspended from trading since its listing. |
| 14. | Registrar & Share Transfer Agents | Link Intime India Private Limited C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6200, FAX: +91 22 49186195 Website: www.linkintime.co.in Email ID: rnt.helpdesk@linkintime.co.in |
| 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 Correspondence relating to grievances in relation to non-receipt of Annual Report, dividend and share certificates sent for transfer etc. including any requests/ intimation for change in address, issue of duplicate share certificates, change in nomination shall be sent to : | Link Intime India Private Limited C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6200, FAX: +91 22 49186195 Website: www.linkintime.co.in Email ID: rnt.helpdesk@linkintime.co.in Company Secretary & Compliance Officer Aavas Financiers Limited Registered Office: 201-202, 2nd Floor, southend Square, Mansarover Industrial Area, Jaipur-302020 (Rajasthan) Tel: +91 14 1661 8800 Email: investorrelations@aavas.in |
| 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. | Dematerialization of Shares and Liquidity | All shares of the Company are held in Dematerialized form. The entire Promoter's holdings are in demat 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. 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 :-

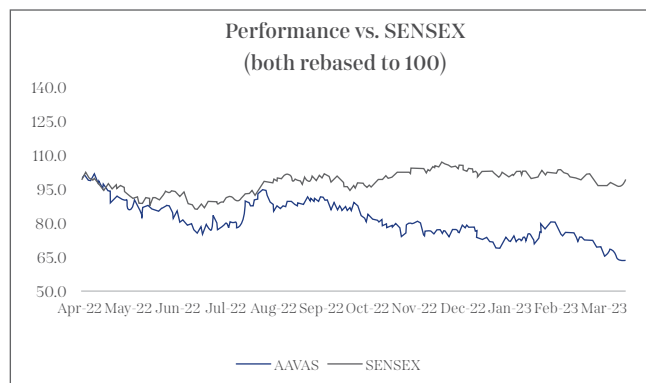
The reported high and low closing prices and volume of equity shares of the Company traded on NSE and BSE during the period under review (i.e. from April 01, 2022 to March 31, 2023) are set out in the following table:

| Month | NSE | | | BSE | | |
|----------------|----------------|---------------|--------------|----------------|---------------|--------------|
| | High Price (₹) | Low Price (₹) | Volume (No.) | High Price (₹) | Low Price (₹) | Volume (No.) |
| April 2022 | 2,634.95 | 2,225.00 | 14,88,950 | 2,632.95 | 2,232.05 | 88,908 |
| May 2022 | 2,380.00 | 2,026.60 | 16,65,472 | 2,380.00 | 2,025.00 | 1,56,609 |
| June 2022 | 2,273.55 | 1,815.00 | 17,48,277 | 2,253.05 | 1,838.70 | 1,23,116 |
| July 2022 | 2,404.00 | 1,894.50 | 23,37,655 | 2,402.65 | 1,893.95 | 1,53,408 |
| August 2022 | 2,411.40 | 2,102.00 | 16,16,995 | 2,410.00 | 2,102.60 | 91,545 |
| September 2022 | 2,339.35 | 2,100.10 | 14,45,076 | 2,339.90 | 2,058.00 | 1,86,559 |
| October 2022 | 2,262.95 | 1,941.00 | 18,24,771 | 2,260.00 | 1,941.35 | 4,20,231 |
| November 2022 | 2,078.35 | 1,850.00 | 26,93,329 | 2,077.30 | 1,850.00 | 1,11,116 |
| December 2022 | 2,029.90 | 1,825.55 | 23,29,563 | 2,028.00 | 1,827.05 | 5,01,234 |
| January 2023 | 1,925.00 | 1,698.50 | 32,85,493 | 1,915.00 | 1,697.65 | 1,07,999 |
| February 2023 | 2,045.95 | 1,815.00 | 33,58,264 | 2,045.00 | 1,816.20 | 4,51,333 |
| March 2023 | 1,908.50 | 1,589.70 | 23,28,073 | 1,908.20 | 1,590.00 | 79,773 |

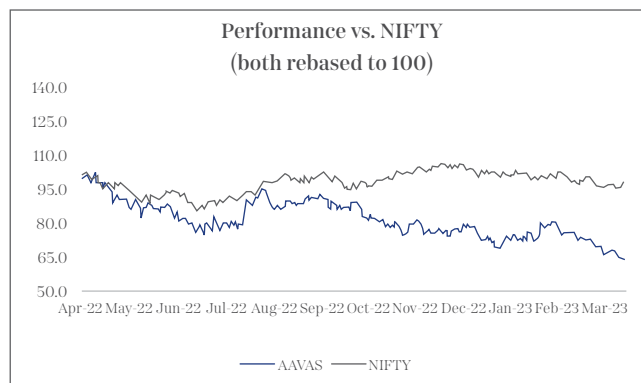
[Source: This information is compiled from the data available on the websites of NSE and BSE]

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



NSE Nifty Share Price Movement



IV. Credit Rating of the Company

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. India's renowned Credit Rating Agencies have assigned ratings to the Company; the details of the same are mentioned below:-

| Nature of Instrument | Rating Agency | Term | Credit Ratings |
|----------------------------|---------------|-----------|---|
| Non-Convertible Debentures | CARE | Long Term | AA; Stable [Double A; Outlook: Stable] |
| | ICRA | Long Term | AA; Stable [Double A; Outlook: Stable] |
| Bank Loans | CARE | Long Term | AA; Stable [Double A; Outlook: Stable] |
| | ICRA | Long Term | AA; Stable [Double A; Outlook: Stable] |
| Subordinated Debt | CARE | Long Term | AA; Stable [Double A; Outlook: Stable] |

| Nature of Instrument | Rating Agency | Term | Credit Ratings |
|----------------------|---------------|------------|---------------------|
| Commercial Paper | CARE | Short Term | A1+ [A One Plus] |
| | ICRA | Short Term | A1+ [A One Plus] |
| | India Ratings | Short Term | A1+ [A One Plus] |

During the Financial Year under review, the long-term credit rating of the Company has been upgraded from AA-/Positive to AA/Stable by both CARE Ratings and ICRA Limited. The Short term credit rating is reaffirmed to A1+ by ICRA, CARE and India Ratings.

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 |
|------------------------------------|--|--|---|
| 12 th AGM, 2021-2022 | Thursday, July 21, 2022 3:30 P.M(IST) | 201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Raj) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility | <ul style="list-style-type: none"> ➤ To reappoint Mr. Sandeep Tandon (DIN: 00054553) as an Independent Director of the Company. ➤ To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the 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 2022" ("ESOP-2022") of Aavas Financiers Limited. |
| 11 th AGM, 2020-2021 | Tuesday, August 10, 2021 3:30 P.M(IST) | 201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Raj) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility | <ul style="list-style-type: none"> ➤ To reappoint Mrs. Kalpana Iyer (DIN: 01874130) as an Independent Director of the Company. ➤ To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the 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 2021" ("ESOP-2021") of Aavas Financiers Limited. |

| Meeting | Day/Date/Time | Location | Details of Special Resolution passed |
|---------------------|--|---|--|
| 10th AGM, 2019-2020 | Wednesday, July 22, 2020, 3:30 P.M.(IST) | 201-202, 2nd Floor, Southend 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. |

b. No Extra Ordinary General Meeting was held by the Company during the Financial Year 2022-23.

c. Details of Business transacted through Postal Ballot during the Financial Year 2022-23.

No Special Resolution was passed through postal ballot under the provisions of the act during the Financial Year 2022-23.

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with rules issued thereunder, MCA general Circulars and Regulation 44 of the SEBI LODR Regulations, the Company provides the facility to the Members to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by NSDL as per the instructions provided in the Postal Ballot notice.

The notices containing the proposed resolution and explanatory statement are sent to all those Members whose e-mail addresses are registered with the Company/depositories as on Cut-off date. Your Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the act and rules framed thereunder.

- The Scrutinizer submits his report to the Chairperson/authorized person of the Company after the completion of scrutiny and the consolidated results of the voting are then announced by the Chairperson or any other person of the Company authorized by chairperson of the Company. The results are displayed on the website of the company (www.aavas.in), besides being communicated to the Stock exchanges.

- Under the e-voting facility, the members are provided an electronic platform to participate and vote on the resolutions.

d. Details of special resolution proposed to be conducted through postal ballot

Pursuant to Section 108 and Section 110 and other applicable provisions of the Act, as amended read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (the "Rules"), Regulation 44 of the SEBI LODR Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Secretarial Standards issued by the Institute of Company Secretaries of India on General Meeting ("SS-2") and the MCA Circulars the Company proposed before the shareholders resolution through postal ballot after the closure of financial year 2022-23. The e-voting facility for the same commenced from Sunday, April 09, 2023 at 09:00 A.M. and will close on Monday, May 08, 2023 at 05:00 P.M. The results of the postal ballot will be disclosed on the Stock Exchange in accordance with the applicable rules and regulations.

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 IEPF. Since the Company has not declared any dividend since inception, there is no dividend which is unclaimed pertaining to previous years and Financial Year under review 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, 2023

Distribution of Shareholding based on Nominal Value (₹) as on March 31, 2023.

| Sr. No. | Category (Nominal Value of Shares) | No. of Holders | No. of Shares | % of Holders |
|---------|------------------------------------|----------------|--------------------|--------------|
| 1 | 1 to 5000 | 60,782 | 21,56,814 | 97.89 |
| 2 | 5001 to 10000 | 577 | 4,08,061 | 0.93 |
| 3 | 10001 to 20000 | 259 | 3,61,700 | 0.42 |
| 4 | 20001 to 30000 | 84 | 2,07,558 | 0.14 |
| 5 | 30001 to 40000 | 63 | 2,19,945 | 0.10 |
| 6 | 40001 to 50000 | 35 | 1,56,980 | 0.06 |
| 7 | 50001 to 100000 | 66 | 4,59,058 | 0.10 |
| 8 | 100001 to above | 227 | 7,50,86,758 | 0.36 |
| | Total | 62,093 | 7,90,56,874 | 100 |

VIII. Shareholding details as on March 31, 2023

The Shareholding Pattern of the Company, as on March 31, 2023 is as follows:-

| Sr. No. | Category | No. of Holders | No. of Shares | % of Holding |
|---------|---|----------------|--------------------|--------------|
| 1 | Foreign Promoter Company | 3 | 3,09,46,062 | 39.14 |
| 2 | Foreign Portfolio Investors (Corporate) and FII | 197 | 3,06,95,363 | 38.82 |
| 3 | Public | 58,415 | 65,02,384 | 8.22 |
| 4 | Non Nationalized Banks | 1 | 3,383 | 0.004 |
| 5 | Mutual Funds | 48 | 56,70,628 | 7.17 |
| 6 | Alternate Investment Funds | 14 | 12,28,386 | 1.55 |
| 7 | Insurance Companies | 9 | 29,80,029 | 3.77 |
| 8 | Other Bodies Corporate | 627 | 5,90,777 | 0.75 |
| 9 | Clearing Members | 37 | 1,00,187 | 0.12 |
| 10 | Non Resident Indians | 1,182 | 1,63,933 | 0.21 |
| 11 | Non Resident (Non Repatriable) | 719 | 1,08,673 | 0.14 |
| 12 | Hindu Undivided Family | 833 | 66,568 | 0.10 |
| 13 | Trusts | 8 | 501 | 0.006 |
| | Total | 62,093 | 7,90,56,874 | 100 |

IX. Means of Communication

Your Company focuses on prompt, continuous and efficient communication to all its stakeholders. The Company has provided adequate and timely information to its member's inter-alia through the following means:

- i. **Financial Results:** The quarterly, half yearly and Annual Financial Results of the Company are published in the leading newspapers viz Business Standard, Financial Express (English) and Business Remedies (Hindi) and are also posted on the Company's Website (www.aavas.in).
- ii. **Website:** In compliance with Regulation 46 and 62 of the SEBI LODR Regulations, the Company has maintained a separate section i.e. 'Investor Relations' on the Company's website providing all the announcements made by the Company, annual reports, results and policies of the Company.
- iii. **Investors/Analyst Meets:** The Company conducts calls/meetings with investors immediately after declaration of Financial Results to brief them on the performance of the Company. The Company also conducts one on one call and meeting with investors.
- iv. **Presentations to institutional investors/analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as Annual Financial Results and sent to the Stock Exchanges. These presentations, video recordings and transcript of meetings are also made available on the website of the Company.
- v. **Annual Report:** The Annual Report containing, inter alia, Audited Standalone and Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto through applicable modes. The Management Discussion and Analysis Report

forms part of the Annual Report. The Annual Report is also available on the website of the Company.

- vi. **NEAPS:** NEAPS is web based applications designed by NSE for corporates. All periodical and other compliance filings are filed electronically on these portals.
- vii. **BSE Listing Centre (Listing Centre):** Listing Centre is a web-based application designed by BSE for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.
- viii. **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 2022-23**
M/s. Chandrasekaran Associates, Practicing Company Secretaries (Firm Registration No: P1988DE002500) were appointed as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2023, who have carried out an independent assessment of the compliance of Companies Act, 2013, SEBI LODR Regulations and all other applicable rules and regulations as a part of Secretarial Audit. The Secretarial Audit Report forms part of the Annual Report as “Annexure- 3” to the Directors’ Report.
- ii. **Consolidated (Holding and its Subsidiary) total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part**
Total fees of ₹92.52 lakh for Financial Year 2022-23 for all services was paid by the Company and its subsidiary, on a consolidated basis, to the Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part.
- iii. **Certification from Practicing Company Secretary**
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/MCA or any such

statutory authority. The same forms part of the Annual Report as “Annexure-1” to the Directors’ Report.

- iv. **Accounting Standards**
The Company has followed Indian Accounting Standards (Ind AS) issued by the MCA in preparation of its Financial Statements.
- v. **Certificate from Practicing Company Secretary on Corporate Governance**
As required under the SEBI LODR Regulations, certificate issued by M/s. Chandrasekaran Associates, Practicing 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 as “Annexure B”.
- vi. **Details of Non-Compliance by the Company, penalties, and restrictions imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three Financial Years**
There are no non-compliances or penalties, strictures imposed on the Company by the Stock Exchanges where securities of the Company are listed or SEBI or any statutory authority, on any matter related to capital markets, during the last three Financial Years.
- vii. **Details of Non-Compliance of the Requirements of Corporate Governance**
There has been no instance of non-compliance of any requirement of the Corporate Governance.
- viii. **Directors and Officers (D&O) Liability Insurance**
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.
- ix. **CEO/ CFO Certification**
The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI LODR Regulations, copy of which is attached to this Report as “Annexure C”.

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

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI LODR Regulations. The Company has adopted the following discretionary requirements of the Listing Regulations:

- a. Audit Qualification:** There is no Audit qualification on the Company's Financial Statements during the year under review. Further, the Company is in the regime of unmodified opinions on Financial Statements.
- b. Reporting of Internal Auditor:** The Internal Audit function of the Company is not outsourced and the Company has appointed Head of Internal Audit interally, which directly reports to the Audit Committee of the Board.

xi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement.

xii. Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI LODR Regulations

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 Chandrasekaran Associates, Company Secretaries and the same is attached to the Board's Report.

xiii. Disclosure with respect to Demat suspense account/unclaimed suspense account

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at March 31, 2023. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

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

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

Date: May 03, 2023
Place: Mumbai

Manas Tandon
Promoter Nominee Director
(DIN: 05254602)

Annexure-A

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

To,
The Members,
Aavas Financiers Limited
201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020,
Rajasthan, India

I, hereby declare that 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 2022-23.

For AAVAS FINANCIERS LIMITED

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

Date: May 03, 2023
Place: Mumbai

Annexure-B**CERTIFICATE ON COMPLIANCE WITH
THE CONDITIONS OF CORPORATE GOVERNANCE UNDER
SEBI LISTING REGULATIONS, 2015**

To,
The Members
AAVAS FINANCIERS LIMITED
201-202, 2nd Floor, Southend Square
Mansarovar Industrial Area, Jaipur-302020
Rajasthan, India

We have examined all relevant records of Aavas Financiers Limited (“the Company”) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31 March, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran
Senior Partner
Membership No.1644
Certificate of Practice No.715
UDIN: F001644E000205254

Date: May 03, 2023
Place: Delhi

Annexure-C**CEO AND CFO CERTIFICATION**

(Under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors
Aavas Financiers Limited

We, Sachinderpalsingh Jitendrasingh Bhinder, Managing Director and Chief Executive Officer and Ghanshyam Rawat, President and Chief Financial Officer of Aavas Financiers Limited ("the Company") certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
 - i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These results together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2023, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d.
 - (i) there has not been any significant changes in Internal Control over financial reporting during the period under reference;
 - (ii) there has not been any significant changes in accounting policies during the period under reference requiring disclosure in the notes to the Financial Statements; and
 - (iii) we are not aware of any instances of significant fraud with involvement therein of the Management or an Employee having a significant role in the Company's Internal Control System over financial reporting.

For AAVAS FINANCIERS LIMITED

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

Ghanshyam Rawat
President and Chief Financial Officer

Date: May 03, 2023

Place: Mumbai